



# ANNUAL REPORT

2016-2017



**Ravi Capoor, IAS**  
*Addl. Chief Secretary, Industries &  
 Commerce Deptt., Govt. of Assam  
 and Chairman, AGCL  
 (w.e.f. 07-09-2016)*



**R. T. Jindal, IAS (Retd.)**  
*Dy. Chairman, AGCL  
 (up to 31-08-2016)*



**Aditya Kr. Sharma**  
*Managing Director, AGCL*



**Smt. Kalyani Baruah**  
*Managing Director, APGCL and  
 Director, AGCL  
 (w.e.f. 16-08-2017)*



**V. B. Pyarelal, IAS**  
*Additional Chief Secretary  
 Finance Deptt., Govt. of Assam  
 and Director, AGCL  
 (up to 23-05-2017)*



**Shehla Rahman, ACS**  
*Secretary, Industries &  
 Commerce Deptt, Govt. of Assam  
 and Director, AGCL*



**Mayuri Chetia, ACS**  
*Jt. Secretary, Finance Deptt.,  
 Govt. of Assam and  
 Director, AGCL  
 (w.e.f. 23-05-2017)*



**Sanat Kumar Kalita, ACS**  
*Commissioner & Secretary,  
 P.E. Deptt. Govt. of Assam  
 and Director, AGCL  
 (w.e.f. 23-05-2017)*



**Sidhartha Bordoloi**  
*General Manager (GMS)  
 Oil India Ltd. and Director, AGCL  
 (w.e.f 23-05-2017)*



**P. K. Das**  
*Director (Retd.) P.E. Deptt.,  
 Govt. of Assam and Director, AGCL  
 (up to 30-11-2016)*



**Achintya Kr. Nath**  
*General Manager (Central  
 Asset), Oil India Ltd.  
 and Director, AGCL  
 (up to 23-05-2017)*



**Rajib Hazarika**  
*Director, AGCL*



**Anuj Kumar Borkotoky**  
*Director, AGCL*



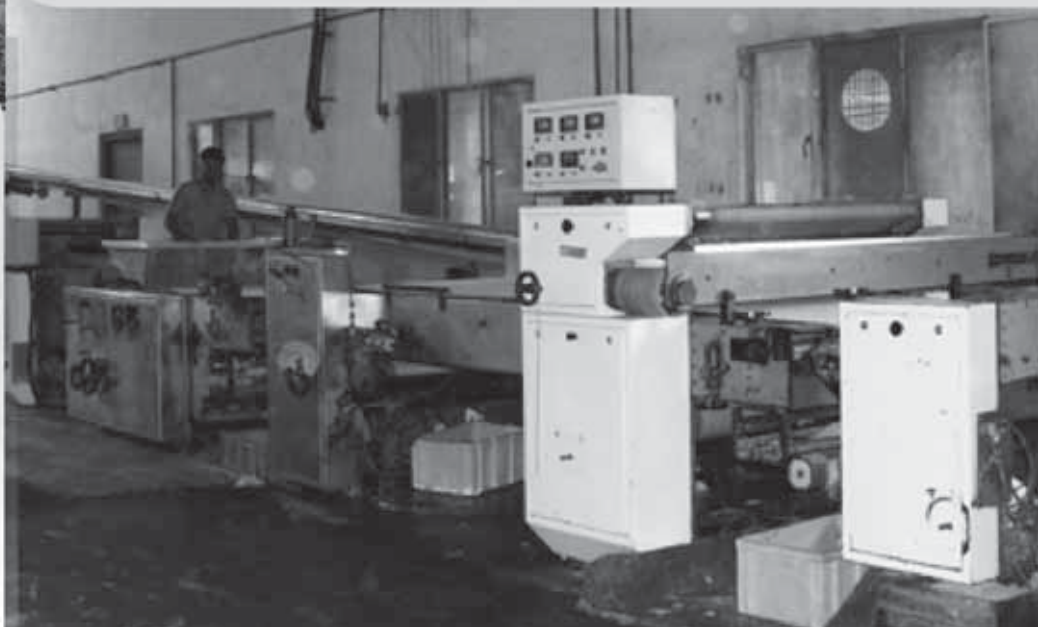
**Hellal Ahmed Khan**  
*Director, AGCL*





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### ***Bankers***

- Allahabad Bank
- Canara Bank
- State Bank of India
- United Bank of India
- UCO Bank
- Punjab National Bank
- Assam Co-operative Apex Bank Ltd.
- Indian Bank

### ***Statutory Auditors***

M/s. S. K. Mallick & Co. (CA1807)  
Chartered Accountants  
P.O.: Moran Hat  
Dibrugarh-785670  
Assam

### ***Secretarial Auditors***

M/s Biman Debnath & Associates  
Secretarial Auditors  
Flat No. 402, Block-C  
Prakash Choudhury Housing Complex  
Tarun Nagar, Guwahati-781005  
Assam

### ***Cost Auditors***

M/s Subhadra Dutta & Associates  
Cost Accountants  
House No. 29, Krishnanagar  
Chandmari, Guwahati-781005

### ***Registered Office***

P.O. Duliajan  
Dist: Dibrugarh-786602  
Assam

### ***Co-ordination Office***

"Adams Plaza," 1st Floor  
G. S. Road, Christian Basti  
Guwahati-781005



## Notice to the Shareholders

Notice is hereby given that the 55<sup>th</sup> Annual General Meeting of the Shareholders of Assam Gas Company Limited will be held at its Coordination Office at “Adams Plaza”, 1<sup>st</sup> Floor, Christian Basti, G. S. Road, Guwahati-781005 on Tuesday, the 26<sup>th</sup> September, 2017 at 4.30 P.M. to transact the following Ordinary and Special Businesses:

### A. Ordinary Business

1. To receive, consider and adopt the Directors' Report and the Report on Corporate Governance, Secretarial Audit Report, along with the addendum thereto, if any, extract of Annual Return, the Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017 along with the Report of the Statutory Auditors and the Comments of the Comptroller and Auditor General of India thereon.

2. To declare Dividend.

3. **To fix the remuneration of the Statutory Auditors**

To consider and if thought fit, to pass with or without modification (s), the following as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 and the rules made thereunder, remuneration payable to the Statutory Auditors for the year 2017-2018 appointed by the Comptroller and Auditor General of India (C&AG) under Section 139(5) Of the said Act, be and is hereby fixed at ₹1,00,000/- (Rupees One Lakh Only) plus actual reasonable travelling and out of pocket expenses and taxes as applicable and for subsequent years, the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to Statutory Auditors.”

### B. Special Business

1. **Remuneration of Cost Auditor:**

To consider and if thought fit, to pass the following Resolution with or without modification(s), as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati as the Cost Auditor of the Company for the financial year 2017-18 by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company under Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹50,000/- (Rupees Fifty Thousand) only plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc., be and is hereby ratified and approved.”

By Order of the Board of Directors

Place: Guwahati

Date: 15/09/2017

(D. Dev Gupta)  
Company Secretary

- a. Explanatory statements under Section 102 of the Companies Act, 2013 in respect of the business under Item 4 as set out above are annexed hereto.
- b. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies, in the alternative, to attend and vote instead of himself and such proxy need not be a member. Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp and be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting.

Place: Guwahati

Dist: Kamrup

Date: 15/09/2017

By Order of the Board of Directors  
(D. Dev Gupta)

Company Secretary

**Explanatory Statements for the Special Business pursuant to Section 102 of the Companies Act, 2013:**

The following are the Explanatory Statements in respect of item No. B of the Special Businesses indicated in the Notice dated 15/09/2017

**Item No. B.**

**4. Remuneration of Cost Auditor**

M/s Subhadra Dutta & Associates was appointed by the Board as the Cost Auditor of the Company for the financial year 2017-2018 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of ₹ 50,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates.

Pursuant to Rule 14 of the Companies (Audit & Auditors) Rules, 2014, remuneration of Cost Auditor approved by the Board under section 148(3) of the Companies Act, 2013 is required to be ratified by the shareholders.

Accordingly, approval is sought from the shareholders for ratification of remuneration payable to M/s Subhadra Dutta & Associates, Cost Auditor of the Company for the year 2017-2018.

By Order of the Board of Directors

(D. Dev Gupta)  
Company Secretary

Date: 15/09/2017

## Directors' Report

Your Directors have pleasure in presenting the 55<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

### Financial Results

The Company's financial performance, for the year ended March 31<sup>st</sup> 2017 as compared to that of the previous year is summarised below:-

(₹ in lakhs)

Particulars	2016-2017	2015-2016
A. Revenue		
(a) From operations	22,141.41	27,957.09
(b) Other Income	4,775.82	3,981.53
Total Revenue (A)	<b>26,917.23</b>	<b>31,938.62</b>
B. Expenses		
(a) Depreciation and amortization expenses	610.55	580.04
(b) Other Expenses	15,740.29	21,115.24
Total Expenditure (B)	<b>16,350.84</b>	<b>21,695.28</b>
C. Profit/Loss before exceptional and extraordinary items and tax: (A-B) = C	10,566.39	10,243.34
D. Prior period & Extraordinary items	(9.80)	1.45
E. Profit before tax (C-D) = E	10,556.59	10,244.79
F. Tax Expenses	3,681.77	3,511.17
G. Profit for the period after Tax (E-F)=G	6,874.82	6,733.62
H. Balance of Profit transferred to Reserve & Surplus A/c	<b>6,874.82</b>	<b>6,733.62</b>
I. Earnings per equity share (in ₹) Basic & Diluted	406	398
<b>Directors propose to appropriate this amount as under:</b>	<b>2016-2017</b>	<b>2015-2016</b>
Accumulated Profit & Loss Reserve	66,203.06	59,520.27
Adjustments for expenses, taxes and Reserves		
Dividend :	211.43	169.14
Dividend Tax	13.52	22.90
Balance in Profit & Loss Reserve	65,978.11	59,328.23
<b>Summarized Cash Flow Statement:</b>		
Inflow / (outflow) from operations	4,439.29	1,712.17
Inflow/ (Outflow) from investing activities	(7,880.07)	893.86
Inflow/ (Outflow) from financing activities	3,335.72	(2,858.40)
Net increase/(decrease) in cash & cash equivalents	(105.06)	(252.37)



## PERFORMANCE HIGHLIGHTS

### (a) Physical Performance

The transportation of gas to bulk consumers reduced by 9.08% from 1369.19 MMSCM to 1244.88 MMSCM due to lower availability of saleable gas from the producers and below average drawal by the bulk consumers, namely BVFCL and NTPS. NTPS has not operated their new plant as their gas supplier is unable to assure steady supply.

Gas distribution to the CGD sector comprising of domestic, commercial and industrial (tea) consumers reduced by 1.65% from 191.89 MMSCM to 188.72 MMSCM. Consumption of gas by the domestic and commercial sub segments were more or less same. Gas drawal by the industrial segment consisting of mainly tea factories is weather dependent and beyond the control of the company. Additionally, due to reduced availability of gas, the drawal by consumers were also lower. Overall utilisation of the gas transportation and distribution infrastructure was lower by 8.17% during 2016-17 as compared to the 2015-16.

The value of fixed assets as on 31<sup>st</sup> March, 2017 stood at ₹122.82 Crores.

Your company continued its focused attention towards various control measures as well as optimum utilization of available resources to ensure reasonable level of operating surplus.

### (b) Financial Performance

During the year, the Company recorded a turnover of ₹ 301.81 Crores (comprising of income from Operations and Other Income) as against ₹ 359.30 Crores during the previous year. The profit before tax for the year was ₹105.57 Crores, which is 3.05% higher compared to ₹102.45 Crores in 2015-16. The profit after tax for the year stood at ₹ 68.75 Crores as against ₹ 67.34 Crores recorded in 2015-16. The earnings per share in 2016-17 was ₹406 compared to ₹398 in the previous year.

The internal generation of cash during the year stood at ₹ 1.05 Crores (outflows) as against ₹ 2.52 Crores (outflow) in the previous year.

Your Company through effective utilization of available surplus funds, was able to earn an interest income of ₹ 29.82 Crores during the year. During the year the Company acquired various fixed Assets of ₹ 6.49 Crores (at cost) as against ₹12.04 Crores (at cost) during the previous year.

## OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Company continues to endeavour to transport the required quantity of gas at the agreed pressure and to meet the rising consumers' expectations. Gas is being transported to the following consumers:

- Bulk consumers such as NTPS & LTPS of APGCL; AGBPP of NEEPCO; BVFCL and APL.
- Over 404 Industrial and Tea consumers spread across the six districts of upper Assam (Tinsukia, Dibrugarh, Sibsagar, Jorhat and Golaghat) and Charaideo district as of 31<sup>st</sup> August, 2017.
- Over 30023 domestic and nearly 1029 commercial consumers spread over 12 towns in upper Assam as of 31<sup>st</sup> August, 2017.

Domestic and commercial consumers are being constantly added to the various town gas grids. Some areas beyond town limits are also being brought under the piped gas network. After successfully completing the piped natural gas network in ONGCL's Cinnemara residential colony at Jorhat and in Dibrugarh University a gas pipeline network is being developed in Titabar town near Jorhat. The company is now eyeing smaller urban agglomerations where natural gas sources are available nearby.

### **SHARE CAPITAL**

During the year, your Company's paid up share capital stood at ₹ 16.91 Crores.

### **DIVIDEND**

Your Directors, after taking into consideration the financial results of the Company during the year, are pleased to recommend for your approval 2.5 % increase in the rate of dividend compared to that of the previous year 2015-2016, (that is, 12.5%) per equity share of ₹ 100.00 each on the paid-up Share Capital of ₹ 16.91 Crores for the year 2016-2017 amounting to ₹ 2.11 Crores, exclusive of Corporate Dividend Tax. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

### **TREASURY OPERATIONS**

As a part of better treasury management, your company had extended a loan of ₹ 66.80 Crores to its subsidiary company DNP Ltd during the previous year at an interest rate of 10 % which was higher than what the company was receiving by way of fixed deposits in scheduled banks.

Till 31<sup>st</sup> August, 2017, DNPL has repaid an amount of ₹ 40.25 Crores to your company.

### **CONTRIBUTION TO EXCHEQUER**

Your Company has contributed a total of ₹ 55.18 Crores to the Central Exchequer and ₹ 17.54 Crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹ 52.24 Crores and ₹ 24.51 Crores respectively in the previous year.

### **GOVT. AUDIT REVIEW**

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6)(b) of the Companies Act 2013 on Annual Accounts of the Company for the year ended 31st March, 2017 together with managements reply as an addendum thereto are placed before the shareholders for consideration.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year, the company did not enter into any related party transaction with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business on an arm's length basis and are intended to further the Company's interests. Relevant information in **Form AOC 2** has been provided as **Annexure C** to Directors' Report. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which were in conflict with the Company's interest.

### **INFORMATION RELATING TO ASSOCIATE AND JOINT VENTURE COMPANIES**

Information relating to Associate and Joint Venture companies duly certified by the management pursuant to section 129(3) of the Companies Act, 2013 has been provided in **Annexure- D** to the Directors' Report as per prescribed **form AOC-1(Part-B)**.

### **POST BALANCE SHEET EVENTS**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

### **BUSINESS RISK MANAGEMENT**

Although the company does not have any specific risk management policy as on date, the Board of Directors of the company deliberates on threats, risks and concerns which in the opinion of the Board may threaten the continuation of its business or pose a threat to its existence. The Board reviews the means adopted by the company to mitigate the risk from time to time. The details of risk and concerns of the company are discussed in the Management Discussion and Analysis section of this Report.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

During the previous year, your company had extended a loan of ₹ 66.80 Crores to its subsidiary company DNP Ltd at an interest rate of 10 %, out of which till August, 2017, ₹ 40.25 Crores has already been repaid by DNPL.

### **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company is taking effective steps at every level of its activities for conservation of Energy. The Company is also pursuing options of setting up solar power projects for captive use. To reduce the consumption of power, the company has installed LED lighting in the Compressor Station.

As part of technology absorption, the company is implementing a Geographical Information System for its wide network of steel and PE pipelines under which all pipeline assets will be mapped and digitized records of the assets, RoU / RoW will be available at the tap of a key.

### **FOREIGN EXCHANGE EARNINGS & OUTGO**

There were no direct foreign exchange earnings or outgo during the year 2016-17.

### **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes in the relevant financial year 2016-2017 affecting the financial position of the company.



## DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since Section 152 of the Companies Act, 2013, is not applicable for Government Companies, no director shall retire by rotation in the ensuing Annual General Meeting where appointment of such director is done by the Central Government or State Government as the case may be vide MCA Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015.

### Directors

Since the date of last Annual General Meeting held on 28.09.2016, following changes have been made:

Sl. No.	Name of the Directors	Government Notification No.	Date of Appointment	Date of cessation	Designation
1.	Shri Ravi Capoor, IAS	MI.214/2002/Pt/57-A dated 7 <sup>th</sup> September, 2016	7 <sup>th</sup> September, 2016 and 27 <sup>th</sup> September, 2016	-	Dy. Chairman and Chairman
2.	Shri V. B. Pyarelal, IAS	MI.214/2002/143-A dated 7 <sup>th</sup> April, 2016	7 <sup>th</sup> April, 2016	23 <sup>rd</sup> May, 2017	Director
3.	Shri Sanat Kumar Kalita, ACS	MI.214/2002/163-A dated 3 <sup>rd</sup> May, 2017	23 <sup>rd</sup> May, 2017	-	Director
4.	Ms. Shehla Rahman, ACS	MI.214/2002/137 dated 27 <sup>th</sup> January, 2016	27 <sup>th</sup> January, 2016	-	Director
5.	Ms. Mayuri Chetia, ACS	MI.214/2002/Pt./80-B dated 23 <sup>rd</sup> May, 2017	23 <sup>rd</sup> May, 2017	-	Director
6.	Shri P. K. Das	MI.214/2002/Pt./24-A dated 26 <sup>th</sup> February, 2014	26 <sup>th</sup> February, 2014	30 <sup>th</sup> November, 2016	Director
7.	Shri A. K. Sharma	MI.42/2015/34 dated 28 <sup>th</sup> August, 2015	10 <sup>th</sup> September, 2015	-	Managing Director
8.	Shri A. K. Nath	MI.214/2002/124 dated 24 <sup>th</sup> August, 2015	24 <sup>th</sup> September, 2016	23 <sup>rd</sup> May, 2017	Director
9.	Shri Siddhartha Bordoloi	MI.214/2002/163-C dated 23 <sup>rd</sup> May, 2017	23 <sup>rd</sup> May, 2017	-	Director
10.	Shri Anuj Kumar Borkotoky	MI.214/2002/132-A dated 10 <sup>th</sup> December, 2015	10 <sup>th</sup> December, 2015	-	Director
11.	Mr. Helal Ahmed Khan	MI.214/2002/132 dated 10 <sup>th</sup> December, 2015	29 <sup>th</sup> January, 2016	-	Director
12.	Shri Rajib Hazarika	MI.214/2002/132-B dated 10 <sup>th</sup> December, 2015	29 <sup>th</sup> January, 2016	-	Director
13.	Smt. Kalyani Baruah	MI.214/2002/Pt/167-A	16 <sup>th</sup> August, 2017	-	Director

The Directors have placed on record their appreciation of the valuable contribution made and guidance given by Shri V. B. Pyarelal, Shri P. K. Das and Shri A. K. Nath for the development and progress of AGCL's business during their tenure as Directors of the Company.

### **Key Managerial Personnel**

The following are the Key Managerial Personnel of the company:

- (a) Shri Aditya Kumar Sharma, : Managing Director & Chief Executive Officer
- (b) Shri Vijay Kumar L, : Sr Manager (F&A) & Chief Financial Officer
- (c) CS Dolonchapa Dev Gupta, : Company Secretary

### **DECLARATION BY INDEPENDENT DIRECTORS:**

As there are no Independent Directors on the Board of the Company, the declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 does not arise.

### **COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required to be given in the case of Government Company vide Ministry of Corporate Affairs Notification dated 05.06.2015.

Having regard to the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

### **BOARD EVALUATION**

As per MCA Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015, provisions of section 134(3)(p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. As AGCL is a Government Company, disclosure requirement in respect of Board evaluation process is not applicable to the Company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) The Directors have considered such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;

- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a 'going concern' basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants; and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

As there is no employee drawing the specified remuneration, particulars of employees under Section 134 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31<sup>st</sup> March, 2017 are not furnished.

#### **REMUNERATION**

As per MCA Notification No. GSR 463(E) dated 5th June, 2015, Section 197 does not apply to a Government company. Therefore, the requirement of disclosure to be made in the Directors' Report in terms of Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

#### **STATUTORY AUDITORS**

AGCL being a Government Company, the Statutory Auditor is appointed by the Comptroller and Auditor General of India (C&AG) as per Section 139(5) of the Companies Act, 2013.

M/S S.K. Mallick & Co., (CA1807) Chartered Accountants, Post Moran Hat, Dibrugarh -785670 were appointed as Statutory Auditors for the financial year 2016-17 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

#### **Auditors Report**

The explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report are enclosed as an addendum thereto is placed before the shareholders for consideration.

#### **SECRETARIAL AUDITORS**

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Biman Debnath & Associates, Practicing Company Secretaries, Guwahati were appointed by the Board as Secretarial



Auditors for conducting the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17 together with Managements' reply on the comments of the Secretarial Auditors are attached as part of **Annexure –B** to this report.

#### **COST AUDITORS**

M/s. Subhadra Dutta & Associates, Cost Accountant, Guwahati were appointed as Cost Auditors of the Company for the year 2016-2017 in accordance with the provision of Section 148(3) of the Companies Act, 2013. The due date for filing of cost audit report for the year 2016-2017 is 30.09.2017 for which necessary action is being taken.

#### **INVESTMENTS IN JOINT VENTURES**

##### **(a) DNP Limited**

DNP Limited (a subsidiary of your Company and in joint venture with NRL and OIL) during the sixth full year of its operation transported approximately 229.12 MMSCM (Million Standard Cubic Metres) of natural gas to NRL as against the annual contracted quantity of 300 MMSCM.

The financial statements of DNP Ltd had been prepared in accordance with Indian Accounting Standards.

During the year 2016-2017, DNP Ltd. registered a profit of ₹ 49.85 Crores before interest, depreciation and taxes against a turnover of ₹ 66.51 Crores and a profit after tax of ₹ 13.49 Crores as against profit after tax of ₹ 9.62 Crores in the previous year.

As on 31st March, 2017 and your company's investment in DNP Limited stands at ₹ 85.30 crores. DNP Ltd has recommended a dividend of 2.50% (excluding corporate dividend tax) of the paid-up share capital of ₹ 167.25 Crores (i.e. ₹ 0.25 per fully paid equity shares of ₹ 10/- each) to its shareholders which would absorb a sum of ₹ 5.03 crores out of the Company's PAT inclusive of Corporate Dividend Tax.

##### **(b) Tripura Natural Gas Company Ltd (TNGCL)**

Your company was a founder promoter of TNGCL and at present holds a stake of 25.51% of paid up equity in TNGCL with an investment of ₹ 1.00 Crores. The other partners are Tripura Industrial Development Corporation (TIDC) – 25.51% and GAIL (India) Ltd – 48.98%. The company has developed a business plan whereby the company will be making capital investments of ₹ 75.00 Crores of which the promoters shall invest ₹ 24.00 Crores.

Your company, at the request of TNGCL is taking necessary actions to increase their investment by ₹ 6.00 Crores, and which is subject to the approval of the Public Investment Board (PIB), Government of Assam.

##### **(c) Assam Petrochemicals Ltd**

Assam Petro-Chemicals Ltd., Namrup had invited your company along with Government of Assam and Oil India Ltd. to participate in equity in their ambitious expansion project with an estimated project cost of ₹ 1337.00 Crores. The 500 tpd (tons per day) methanol project is being implemented in the adjacent site of the present plant in Namrup and the proposed 200 tpd formalin plant will be set up in western Assam. The expansion project is expected to be commissioned in 36 months time from the zero date fixed by that company. The Government of Assam has already approved the

investment proposal of your company in tune of ₹ 28.00 Crore in equity. The Government of Assam alongwith AIDC, AGCL will hold 51% and Oil India Ltd. will be holding 49% stake in APL. Your company is the transporter of natural gas for APL and as such, the enhanced requirement of natural gas (up from 0.15 MMSCMD to 0.50 MMSCMD) will also be taken up by AGCL.

#### **AUDIT COMMITTEE**

The details of the composition of the Audit Committee are provided in the Corporate Governance Report which forms part of this Report. The Committee comprises of Shri Sanat Kumar Kalita as Chairman of the Committee, Shri Siddhartha Bordoloi as member and Shri Rajib Hazarika as member.

#### **CSR COMMITTEE**

The Corporate Social Responsibility Committee comprises of Shri Sanat Kumar Kalita as Chairman of the Committee, Shri Siddhartha Bordoloi as member and Shri A.K.Sharma as member.

#### **NOMINATION & REMUNERATION COMMITTEE POLICY**

In absence of Independent Directors, no such Committee has been formed.

#### **DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM**

The Company has a Vigilance Department and the vigil mechanism is supplemented by various other committees such as the Production Committee, etc. During the year, the company implemented a formal Vigil Mechanism along with a Whistle Blower Policy.

#### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There were no cases filed for Sexual Harassment of Women at Workplace during the Financial Year 2016-17. In the previous year, the company implemented a formal Policy on Prevention of Sexual Harassment of Women at Workplace under the (Prevention, prohibition and Redressal of Sexual Harassment of Women at Workplace) Act, 2013.

#### **Indian Accounting Standards**

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### **Changes in Accounting Policies:**

In preparation of the accounts and the Financial statements of the company, some changes in the Accounting Policies of the Company have been adopted which are as follows:

1. The method of keeping the accumulated surplus under the "Profit & Loss Account" under "Other Equity (Liabilities)" in the Balance Sheet has been changed to the following method with effect from the year 2016-17.

- a. Opening of a separate account for “General Reserves” under “Other Equity (Liabilities)” in the Balance Sheet for keeping the surplus of the accumulated funds.
  - b. Keeping a maximum balance of ₹5 00 000.00 in the “Profit & Loss Account” under “Other Equity (Liabilities)” in the Balance Sheet for every year.
  - c. Transferring the surplus accumulated fund in the “Profit & Loss Account” to “General Reserve Account” both under “Other Equity (Liabilities)” in the Balance Sheet.
2. Impairment of Assets :
  3. Treatment of Additional Security Deposits from Domestic consumers :
  4. Capitalisation of spares:

### LEGAL COMPLIANCES

The company has complied with the applicable statutory and legal compliances including Integrity Management Systems (IMS) for Natural Gas Pipelines and CGD networks under PNGRB Act, 2006 and Essential Services Maintenance Act in the financial year 2016-2017.

### EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as at 31st March, 2016 in the prescribed form MGT 9, forms part of this report and is placed at ‘**Annexure - E**’.

### CORPORATE GOVERNANCE

Corporate Governance is about maintaining a trusted relationship with all stakeholders and is an integral part of our value creation in the Company. Your Company has been maintaining integrity, transparency and accountability in all its spheres of business.

In accordance with the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE) in May 2013, a report on Corporate Governance together with a Certificate from a practicing Company Secretary on compliance of the guidelines on Corporate Governance is attached as a separate **Annexure-A** to the Directors’ Report.

The forward looking statements made in the ‘Management Discussion and Analysis’ section are based on certain assumptions and expectations of future events. The Directors do not guarantee that such expectations will eventually materialise.

### GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



## **ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their deep gratitude for the employees' continued display of their total commitment towards the objectives of the company and look forward to their services with zeal and dedication in the years ahead.

Your Directors sincerely thank AGCL's valued customers for their continued cooperation and confidence and look forward to the continuance of this mutually supportive relationship in future.

The Directors sincerely acknowledge the assistance, guidance and support received from various Government Departments, particularly, from Industries and Commerce Deptt. Govt. of Assam, Public Enterprises Deptt., Govt of Assam, Offices of Commissioner of Income Tax, Commissioner of Central Excise & Service Tax, offices of Comptroller & Auditor General, Petroleum & Natural Gas Regulatory Board as well as other Central and State Government agencies.

The Directors of AGCL express their heartfelt gratitude to all the bankers, contractors and suppliers for their contribution to its success.

Yours Directors express their sincere thanks to Oil India Limited and ONGC Ltd. and for their reposing confidence and continuing support to AGCL.

For and on behalf of Board of  
**ASSAM GAS COMPANY LIMITED**

Date : 12-09-2017

Place : Guwahati

**(Ravi Capoor)**  
Chairman

## Management's Discussion and Analysis

Optimum utilization of gas transportation and distribution infrastructure plays an important role in the gas industry for efficient delivery of gas to end consumers. Since natural gas is a product which cannot be stored, the transportation and distribution entity has to continuously play a balancing role between the producer and the consumer of gas. Any deviation or disruption from expected operating conditions such as lower availability of natural gas from producers or lower / higher drawal by consumers adversely affect the gas distribution network.

To improve customer experiences, the company is implementing an enterprise wide SCADA system to ensure that the bulk and industrial consumers get their booked quantum of natural gas at the right pressure.

### **Directors perception of the future of the Company**

To grow, the company has to expand its operations. As per the Hydrocarbon Vision 2030 for North Eastern Region of the Govt of India, the company is positioned to be a key player in the development of the gas transportation and distribution architecture in the North East. It is poised to be part of a consortium engaged in the development of the gas trunk pipelines in the Brahmaputra and the Barak Valleys and to be connected to the National Gas Grid at Barauni in Bihar. The company is working closely with the Committee constituted by the Govt of India for implementation of the Hydrocarbon Vision 2030. The company has formally submitted an Expression of Interest to PNGRB to lay a 750 km of natural gas pipeline from Barauni in Bihar to Guwahati to bring in 15 MMSCMD of natural gas. Oil India Ltd. having its roots in Assam is likely to be a partner in the Rs 3500.00 Crores

project expected to be hugely beneficial not only for the economic and industrial development of Assam but the entire North East.

The Company had also bid for natural gas from isolated fields of ONGC Ltd in the Golaghat Khoraghat area and the capacity of gas evacuation pipeline from Urimaghat to Golaghat to connect with its Duliajan = Namrup – Lakwa – Golaghat line is expected to be completed during 2018-2019.

### **Strengths, Weaknesses, Opportunities and Threats**

The strength of the company lies in the fact that it is one of the oldest dedicated gas transmission and distribution company in the country having a vast experience in both the natural gas transmission and the CGD (city gas distribution) business.

While the experience in transmission and distribution gives the company its strength, the decades old legacy business systems and processes preceding fast paced business environment and digital age is a source of weakness. The company is in the process of appointing a management consultant for transforming it into a system driven modern business enterprise. With a fast rising demand for natural gas right across the world, there have been tremendous changes in the gas business including production, transportation, distribution, marketing, technology and utilization in its various forms. To keep pace with the rapidly evolving business environment brought about by newer regulations and guidelines requires urgent induction and absorption of technology in both the front end and backend aspects of the business.

As on date, the company has been operating in a near monopolistic market for natural gas

in the North Eastern Region. It is a founder promoter in the two other gas entities operating in the region, namely, TNGCL and DNPL. With the Govt of India's thrust in developing the gas infrastructure and increasing market penetration in the region, the company has the opportunity and potential to play a key role in developing the regional gas grid.

### **Risks & Concerns**

Risks and associated concerns for 2017-18 mainly pertain to availability of natural gas from the suppliers, Oil India Ltd and ONGC Ltd. especially in view of the demand for gas by Brahmaputra Crackers & Polymers Ltd (BCPL) and overall shortfall of about 2.00 MMSCMD of gas without any major discoveries in the region. Gas drawal by the weather dependent tea manufacturing industry are beyond the control of the company and not wholly predictable. Revenue generations from these consumers are therefore difficult to predict.

The gas drawal by NTPS has been much below their average drawal during the preceeding years mainly due to the fact that their ageing plant is not operating to capacity and the new plant is not being operated as their gas supplier is unable to assure steady supply. Moreover, a huge outstanding has developed with the consumer.

### **Safety**

During the year 2016-2017, there was no loss time accident (LTA). To ascertain the integrity of the assets and to enhance the safety of operations, several initiatives were taken up by the company in line with PNGRB (Petroleum & Natural Gas Regulatory Board) Regulations. The company has also recruited a full time Safety Officer to guide the company is enhancing the safety aspects of its operations.

During the year 2016-2017, fire and safety training, awareness programmes and onsite and offsite emergency drills were organized

during the year, some of which were in association with the Mutual Aid partners.

### **Human Resource**

As on 31<sup>st</sup> March, 2017, total employees strength was 411(including MD) of which 338 belonged to the staff category and 73 to the executive cadre. They are supplemented by engagement of contractual personnel, muster roll workers and home guards.

### **Employee Relations**

Your company has been able to maintain a cordial and harmonious relation with all its employees through mutual support and cooperation at all levels. The Board recognizes the contribution made by all employees of the company and wishes to record their appreciation for the dedication and hard work put in by them without any loss of mandays.

### **Corporate Social Responsibility & Sustainability**

AGCL's initiatives towards CSR and Sustainability were pursued with increased emphasis during 2016-17. The CSR Policy can be accessed in the Company's website at [www.assamgas.org](http://www.assamgas.org)

Some of the highlights of CSR and Sustainability activities undertaken by your Company during the year are:

- i. Health Care and Sanitation
- ii. Environmental Sustainability and Ecological Balance
- iii. Employment enhancing vocational skills.
- iv. Integrated Village Development.

Based on the Company's Financial Performance for the last three financial years, total amount proposed for CSR for the year 2016-2017 was ₹ 197.00 Lakhs. However, after considering the unspent amount of ₹165.59 Lakhs earmarked for the year 2015-2016, total fund available for the year 2016-2017 was ₹ 406.05 Lakhs.



As against above, total amount spent on CSR activities during the financial year 2016-2017 was ₹111.75 Lakhs and the balance committed and unspent amount of ₹107.00 Lakhs has been carried forward to the financial year i.e. 2017-2018.

A detailed report on the company's CSR and Sustainability activities is enclosed at **Annexure – F**.

Members of the CSR & Sustainability Committee confirmed that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

### **Regulations**

Assam Gas Company Limited being a natural gas transportation and distribution entity has to operate as per the regulations notified

under PNGRB Act, 2006 by the Petroleum & Natural Gas Regulatory Board (PNGRB) The entire city gas distribution (CGD) business of the company covering domestic, commercial and industrial (tea factories, small industrial units, etc) consumers in the five upper Assam districts of Tinsukia, Dibrugarh, Sibsagar, Jorhat and Golaghat has been authorized by PNGRB under the Upper Assam City Gas Distribution Network of AGCL (UACGDNA). PNGRB has also authorized the company under the Assam Natural Gas Pipeline Network (ANGPL) of AGCL to lay, build and operate natural gas pipelines in the same five districts of Assam.

The company has taken up phase wise implementation of various requirements under the T4S regulations of PNGRB for CGD networks and NG pipelines and are in various stages of compliance.

## **Report on Corporate Governance**

### **Company's philosophy on Code of Corporate Governance**

Corporate Governance is a set of system and practices adopted by a Company to ensure that it is managed in a way that ensures accountability, transparency, fairness, disclosure and value creation in all its transactions and also meet the aspiration of the stake holders and expectation of the society. Corporate Governance is the crucial thread that carefully binds the various managerial functions by balancing the complex relationship between the management, Board of Directors, Audit Committee and various other subcommittees. In AGCL, thrust is to adopt best governance practices, which will ensure optimization of returns and satisfaction levels to all shareholders. The Company has been sharing relevant information with the various stakeholders from time to time through Annual Reports, web publication, etc. Being a non-listed entity it is not mandatory to disclose as per Clause 49 of the Listing Agreement & Companies Act. However, as good corporate governance practice and as per Guidelines on Corporate Governance for State Level Public Enterprises issued by Department of Public Enterprises (DPE), Govt of Assam in May, 2013, the Company has been complying with the stipulations contained therein to the extent applicable.

The report on Corporate Governance forms an integral part of the Directors report. The requisite certificate from the secretarial auditors of the company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance at

### **Annexure-A. (Contd.)**

Relevant information on areas covered under Corporate Governance disclosures during the financial year 2016-2017 are furnished below:-

#### **1. Board of Directors**

AGCL is a Government Company under Section 2(45) of the Companies Act, 2013, wholly owned by the Government of Assam. In terms of the Articles of Association of the company, the number of Directors shall not be less than two and not more than fifteen.

As on 31<sup>st</sup> March, 2017, the Board of AGCL comprised of three Part time (Ex-Officio) Directors nominated by the Government of Assam represented by Industries and Commerce Department and Finance Department. Oil India Ltd. as the major supplier of gas is represented by a Nominee Director in the Board of the company. Managing Director is the only Whole Time Director on the Board of the Company. In addition there were three part time non-official Directors in the Board. The Government of Assam notifies all appointment of Directors of the Company.

The Power and Public Enterprises Department, Government of Assam each nominates one of its representatives as one of the Director on the Board of the Company.

Additional Chief Secretary, Mines & Minerals, Water Resources Department, etc, Government of Assam, who was earlier Addl Chief Secretary, Industries & Commerce Department, was holding the position of Deputy Chairman of the Company, in terms of Article 93(b) of the Articles of Association of the company. He ceased to be a Director w.e.f. 31/08/2016 on attaining the age of superannuation. Additional Chief Secretary, Industries & Commerce Department, Govt of Assam is presently holding the position of chairman of the Company. None of the Directors (ex Officio/

part time) of AGCL had any pecuniary relationship / transaction with the company during the year.

As per Section 165 of the Companies Act, 2013, Director should not hold directorship in more than 20 Companies at the same time and directorship in Public Companies should not exceed 10 nos. During the year, there was no violation of Section 165 pertaining to number of directorships by any Director. The Board's actions and decisions are aligned with the Company's best interests. The Board has a laid down mechanism to facilitate Post Meeting follow ups, Review and Reporting process for the decision taken by the Board or Sub-Committee of the Board.

The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the strategic direction of the Company, management policy, annual plan, budget, financial reports, etc.

**Details regarding Board Meetings, Annual General meeting, Directors' attendance thereat, Directorship held by the Directors are as under:-**

Six Board Meetings were held during the financial year 2016-2017, details of which are as follows:-

Sl. No.	Board Meetings	Date	Place
1.	267 <sup>th</sup>	7 <sup>th</sup> April, 2016	Guwahati
2.	268 <sup>th</sup>	29 <sup>th</sup> June, 2016	Guwahati
3.	269 <sup>th</sup>	19 <sup>th</sup> September, 2016	Guwahati
4.	270 <sup>th</sup>	29 <sup>th</sup> November, 2016	Guwahati
5.	271 <sup>st</sup>	23 <sup>rd</sup> February, 2017	Guwahati
6.	272 <sup>nd</sup>	29 <sup>th</sup> March, 2017	Guwahati

The relevant details of the Directors of the company as on 31<sup>st</sup> March, 2017 are provided below:

Sl No	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Director-ships held in other companies
1.	Shri Ram Tirath Jindal, IAS, ( <i>ceased w.e.f. 31/08/2016</i> )	M.Sc (Chemistry) from Punjab Agriculture University	18/06/2012	2	100	-	Chairman 1.DNPL 2.ATPO 3.GTAC Dy. Chairman 1. AGCL Managing Director 1.AHECL Director 1. NRL



2.	Shri Ravi Capoor, IAS	B.Com , MBA	07/09/2016	4	100	-	Director: 1.AIDCL 2. NRL 3. BCPL Chairman 1. AGCL 2. ATCL 3. ASIDC Managing Director 1.AHECL
3.	Ms. Shehla Rahman, ACS, Secretary, Industries & Commerce Department, Government of Assam.	B.A(History)	27/01/2016	6	100	-	Managing Director: ASIDC Director: 1.AHECL 2.AMDCL 3. APL 4. AGCL
4.	Shri V. B. Pyarelal, IAS ( <i>ceased w.e.f. 23/05/2017</i> )	Post Graduation in Economics from University of Kerala & M. Phil. degree in Social Sciences from Panjab University	07/04/2016	1	33	-	Director 1. APL 2.AHC&ECL 3. NIPF& P 4. AGCL Member 1. NLUJAA 2. AERC 3. GMDA Permanent Invitee NRL
5.	Shri P. K. Das ( <i>ceased w.e.f. 30.11.2016</i> )	M. Com	26/02/2014	4	100	-	Director 1.AGCL 2.AHSIDCL 3.ASCL 4.AMDCL 5.AL&PCL 6.ASF (F&D)CL 7.APL 8.AEDCL 9.APTDCL 10.AHECL 11.APGCL Shareholding One (1) No. of Equity share valued Rs.100/- in ATCL
6.	Shri Aditya Kumar Sharma,	B.Com (Hons.), ACMA, MBA(Finance) from IISWBM, Calcutta University	10/09/2015	6	100	Attended	Director: 1.DNPL 2.TNGCL Managing Director 1. AGCL

7.	Shri A.K. Nath, GGM (GMS), OIL( <i>ceased w.e.f. 28/06/2017</i> )	Mechanical Engineer	24/09/2015	6	100	Attended	Director: 1. DNPL 2. AGCL
8.	Mr. Helal Ahmed Khan	B.A	29/01/2016	3	50	-	Proprietor M/s Rahi Enterprise Director 1. AGCL
9.	Shri Rajib Hazarika	MBA (Marketing & Personnel) from Pune University	29/01/2016	6	100	-	Proprietor 1. Demow HP Gas Service Partner 1. East India Construction Director 1. AGCL
10.	Shri Anuj Kumar Borkotoky	H.S Pass	10/12/2015	2	33	-	Director AR Medical Pvt. Ltd. Partner N.R. Marketing Gautam Tea Plantations Pvt. Ltd. Director 1. AGCL

*Percentage computed by considering the meetings attended with the total meetings held during his tenure.*

**AGCL:** Assam Gas Company Limited, **AHECL:** Assam Hydrocarbon & Energy Company Limited, **APL:** Assam Petrochemicals Limited, **ATPO:** Assam Trade Promotion Organisation, **AHSIDCL:** Assam Hills Small Industries Development Corporation Ltd. **ASCL:** Assam Seeds Corporation Ltd. **AMDCL:** Assam Mineral Development Corporation Ltd. **ALPCL:** Assam Livestock & Poultry Corporation Ltd. **ASF(F&D)CL:** Assam State Film (Finance & Development) Corporation Ltd. **APTDCL:** Assam Plain Tribes Development Corporation Ltd. **DNPL:** DNP Ltd. **NRL:** Numaligarh Refinery Limited, **GTAC:** Guwahati Tea Auction Centre, **ASIDC:** Assam Small Industries Development Corporation, **TNGCL:** Tripura Natural Gas Company Limited, **APGCL:** Assam Power Generation Corporation Limited, **ASIDC:** Assam Small Industries Development Corporation Limited, **ATCL:** Assam Tea Corporation Limited. **AEDCL:** **Assam Electronics Development Corporation Ltd.** **NIPF&P:** National Institute of Public Finance & Policy, **BCPL:** Brahmaputra Cracker and Polymer Limited, **NLUJAA:** National Law University and Judicial Academy, Assam, **AERC:** Assam Electricity Regulatory Commission **GMDA:** Guwahati Metropolitan Development Authority.

## 2. Audit Committee

AGCL introduced Corporate Governance in the organization during the year 2008 itself by constituting an Audit Committee. The Audit Committee assists the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices, remuneration of Statutory Auditors, appointment and remuneration of Cost Auditors, performance of Internal Auditor and its compliance with the legal and regulatory requirements, etc.

The revised role, powers and functions of the Audit Committee were specified and approved by the Board in its 251<sup>st</sup> Meeting. The quorum for the meetings of the Committee is two members or 1/3<sup>rd</sup> of the members of the Audit Committee, whichever is higher.

## 2.1 Constitution of Audit Committee

In order to comply with the provisions of Section 177 of the Companies Act, 2013 read with Chapter 12 of the Companies (Meeting of Board and its Powers) Rules, 2014 and in line with the Guidelines on Corporate Governance for SLPEs issued by the Government of Assam on May, 2013, and also as a part of good Corporate Governance, the Board of Directors of the Company in its 266<sup>th</sup> meeting held on 8<sup>th</sup> February, 2016 approved the reconstitution of the Audit Committee with the following members:-

1. Shri Pradeep Kumar Das, as Chairman of Audit Committee
2. Shri Achintya Kumar Nath, Member
3. Shri Rajib Hazarika, Member

The Audit Committee was further reconstituted by the Board in its 273<sup>rd</sup> meeting held on 28/06/2017 due to the retirement of Shri Pradeep Kumar Das from his Government services on 30<sup>th</sup> November, 2016 on attaining the age of superannuation and withdrawal of nomination of Shri Achintya Kumar Nath by Oil India Limited on 23/05/2017. The Audit Committee was reconstituted with the following members:-

1. Shri Sanat Kumar Kalita, as Chairman of Audit Committee
2. Shri Siddhartha Bordoloi, Member
3. Shri Rajib Hazarika, Member

The members possess the requisite knowledge of Finance and Accounts for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Committee.

## 2.2. Role and responsibilities of the Audit Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee, and also approval for payment of any other services.
- Reviewing with management the quarterly/ half yearly /annual financial statements before submission to the Board, focusing primarily on :
- Reviewing any Related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries, relatives etc. that may have potential conflict with the interest of the Company at large.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems and any significant findings and follow up thereon.
- Reviewing the Company's financial and risk management policies.

## 2.3. Meeting of the Audit Committee:

Three Audit Committee Meetings were held during the financial year 2016-2017, details of which are as follows:-

Sl. No.	Audit Committee Meetings	Date	Place
1.	6 <sup>th</sup>	28 <sup>th</sup> June, 2016	Guwahati
2.	7 <sup>th</sup>	19 <sup>th</sup> September, 2016	Guwahati
3.	8 <sup>th</sup>	28 <sup>th</sup> November, 2016	Guwahati



## 2.4 Attendance of the Audit Committee meeting during the financial year 2016-17:

Name of the members	No. of meetings attended	%age thereof (out of 2 meetings held)	Attendance at the last Annual General Meeting
<b>Shri P. K. Das, Chairman</b> ( <i>ceased to be a director w.e.f. 30/11/2016</i> )	3	100	-
<b>Shri A. K. Nath, Member</b> ( <i>ceased to be a director w.e.f. 28/06/2017</i> )	3	100	-
<b>Shri Rajib Hazarika, Member</b> ( <i>w.e.f. 29/01/2016</i> )	2	67	-

## 3. Nomination and Remuneration Committee:

In absence of Independent Directors, no such Committee has been formed.

## 4. Investors Grievance Committee:

AGCL being a non-listed Company with only two shareholders, no such Committee has been formed.

## 5. Corporate Social Responsibility (CSR) Committee:

AGCL took the initiative to contribute towards society in a transparent, responsible, accountable and fair manner by constituting Corporate Social Responsibility (CSR) Committee under Section 135(1) of the Companies Act, 2013 and in line with the Guidelines on Corporate Governance for SLPEs issued by the Government of Assam on May, 2013, and also as a part of good Corporate Governance. AGCL's CSR policy was approved on 23/04/2015 and subsequently amended on 29/06/2016. Consequently, a CSR committee was formed on 29/06/2016 in partial modification of the resolution dated 09/10/2015 with the following members:

- Shri P.K. Das as Chairman of the CSR Committee,
- Shri A.K.Nath as Member and
- Shri Aditya Kumar Sharma as Member.

The CSR Committee was further reconstituted by the Board in its 273<sup>rd</sup> meeting held on 28/06/2017 due to the retirement of Shri Pradeep Kumar Das from Government services on 30<sup>th</sup> November, 2016 on attaining the age of superannuation and withdrawal of nomination of Shri Achintya Kumar Nath by Oil India Limited on 23/05/2017. The CSR Committee was reconstituted with the following members:-

- Shri Sanat Kumar Kalita, as Chairman of Audit Committee
- Shri Siddhartha Bordoloi, Member
- Shri Aditya Kumar Sharma, Member

## 5.1 Meeting of the Corporate Social Responsibility Committee:

Two Corporate Social Responsibility Committee Meetings were held during the financial year 2016-2017, details of which are as follows:-

Sl. No.	CSR Committee Meetings	Date	Place
1.	5 <sup>th</sup>	8 <sup>th</sup> August, 2016	Guwahati
2.	6 <sup>th</sup>	28 <sup>th</sup> November, 2016	Guwahati

**Attendance of the CSR Committee meeting during the financial year 2016-17:**

Name of the members	No. of meetings attended	%age thereof (out of 1 meeting held)	Attendance at the last Annual General Meeting held on
Shri P.K. Das, Chairman of CSR Committee (w.e.f. 29/03/2014)	2	100	-
Shri Aditya Kumar Sharma, Member ( w.e.f. 10/09/2015)	2	100	Attended
Shri A. K. Nath, Member ( w.e.f. 24/09/2015)	1	50	Attended

**6. Annual/Extra Ordinary General Meetings:****a) Details of location, time and date of last three AGMs/EGM are given below:**

Sl. No.	Date and Time of the Meetings	Venue
52 <sup>nd</sup> Annual General Meeting	29 <sup>th</sup> September, 2014 at 11.00 A.M	Registered office of AGCL, Duliajan, Duliajan-786602
52 <sup>nd</sup> Adjourned Annual General Meeting	8 <sup>th</sup> December, 2014 at 11.00 A.M	Registered office of AGCL, Duliajan, Duliajan-786602
53 <sup>rd</sup> Annual General Meeting	30 <sup>th</sup> September, 2015 at 11.00 A.M	Registered office of AGCL, Duliajan, Duliajan-786602
54 <sup>th</sup> Annual General Meeting	28 <sup>th</sup> September, 2016 at 11.00 A.M	Registered office of AGCL, Duliajan, Duliajan-786602

It is to be noted that no extra ordinary general meeting was held during the year.

**b) Details of Special Resolution passed during the last three years:**

Special Business	Type of Resolution	Date of Meeting
Nil	Nil	Nil

**c) Brief Resumes of Directors as on date**

In accordance with Article 92 of the Articles of Association of the Company, all the Directors are appointed by the Government of Assam.

**(i) Shri Ravi Capoor, IAS**

Shri Ravi Capoor was appointed as Nominee Director as well as the Deputy Chairman of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 94(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/Pt/57-A dated 7<sup>th</sup> September, 2016. Subsequently Shri Capoor was appointed as Chairman of the Company vide Govt of Assam Notification No. MI.214/2002/Pt./62-A dated 27<sup>th</sup> September, 2016.

Ravi Capoor, is an Indian Administrative Service (IAS) officer of 1986 batch of Assam Meghalaya joint Cadre. He served as Director of Petroleum Conservation Research Association of Ministry of Petroleum and Natural Gas, Government of India. He has been working in different capacities in Government of Assam and Central Government for more than three decades.

Ravi Capoor is presently serving as Additional Chief Secretary to the Govt. of Assam, Industries & Commerce, Public Enterprises Department and Mines & Minerals Department.

He is a senior bureaucrat of the Government of Assam who brings to the Board his deep and wide experience in administration.

**(ii) Shri Sanat Kumar Kalita, ACS**

Shri Sanat Kr. Kalita was appointed as Nominee Director by the Government of Assam under Section 161 (3) of the Companies Act, 2013, read with Article 93(a) & 93(c) of the Memorandum & Articles of Association of the Company vide Government of Assam notification No.MI 214/2002/163-B, dtd 23rd May, 2017.

Shri Kalita belongs to the Assam Civil Service (ACS) of 1986 batch. He was earlier associated with the Company in 2012 when he was working in the Industries and Commerce Deptt., Government of Assam and attended AGM of the Company as Government representative.

At present, Sri Kalita is serving as Commissioner & Secretary to the Govt. of Assam, Public Enterprises Department.

**(iii) Ms. Shehla Rahman, ACS**

Ms. Shehla Rahman was appointed as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI. MI.214/2002/137 dated 27<sup>th</sup> January, 2016.

Ms. Shehla Rahman, ACS did her graduation in History from Nehu University. She joined Assam Civil Service, and is having experiences of 32 years. She worked in different capacities in various Departments of the Government of Assam as well as the Districts. Presently she is working as Secretary, Industries & Commerce Department to the Government of Assam.

Ms. Shehla Rahman, apart from being Director of this Company, is also a Managing Director in ASIDC and is holding Directorship in three other State Level Public Enterprises of Assam.

**(iv) Shri Aditya Kumar Sharma:**

Shri A. K. Sharma was appointed as Additional Director of the Company w.e.f. 10<sup>th</sup> September, 2015 as per the provisions of Section 161 of the Companies Act, 2013 in pursuance of his appointment by Government of Assam Notification dated 28/08/2015 and thereafter in the 53<sup>rd</sup> Annual General Meeting of the Company held on 30/9/2015.

Shri A.K. Sharma is a Member of the Institute of Cost & Works Accountants of India and MBA (Finance) from Indian Institute of Social Welfare & Business Management (IISWBM), Calcutta University. Shri Sharma joined AGCL in the year 1988 as Accounts Officer. He has more than 29 years of rich and varied experience in Project Financing, Budgeting, Financial Management, etc. Prior to his appointment as Managing Director, he was holding the position of Deputy General Manager (F&A) in AGCL.

**(v) Shri Siddhartha Bordoloi**

Shri Siddhartha Bordoloi, a Mechanical Engineer and a certified Petroleum Manager, has wide experience in working in Hydrocarbon value chain. He served in Kirloskar Cummins,



IOCL(Bongaigoan Refinery) prior to joining Oil India Limited. Since joining Oil India Limited, he has been working in various capacities for more than three decades. Presently Shri Bordoloi is serving as General Manager- Gas Management Services in Oil India Limited and posted in Field Head Quarter Duliajan. A member of ASME and Institute of Engineers (India), Shri Bordoloi contributed to the engineer's fraternity with published technical papers in National and International Conferences.

**(vi) Smt. Mayuri Chetia, ACS**

Smt. Mayuri Chetia was appointed as Nominee Director by the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/Pt/80 dated 23<sup>rd</sup> May, 2017.

Smt. Mayuri Chetia, is an Assam Civil Service (ACS) officer of 1992 batch. Starting her career in a remote Circle under Dibrugarh district she gathered vast experience serving in different capacities in various districts of Assam as well as in the State Capital throughout her career spanning over more than twenty five years. She has had the experience of working in some very important Departments of the State Government such as Home, Political, and Revenue & Disaster Management. She is presently serving as Joint Secretary to the Govt. of Assam, Finance Department.

Smt. Chetia is a senior bureaucrat of the Government of Assam whose wide experience in administration will benefit the Board.

**(vii) Shri Anuj Kumar Borkotoky**

Shri Anuj Kumar Borkotoky was appointed Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/132 dated 10<sup>th</sup> December, 2015.

**(viii) Mr. Helal Ahmed Khan**

Mr. Hellal Ahmed Khan was appointed w.e.f. 29/01/2016 as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/132-A dated 10<sup>th</sup> December, 2015.

Mr. Helal Ahmed Khan is a graduate from Assam University, Silchar.

**(ix) Shri Rajib Hazarika**

Shri Rajib Hazarika was appointed w.e.f. 29<sup>th</sup> January, 2016 as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/132-B dated 10<sup>th</sup> December, 2015.

Shri Rajib Hazarika is a social worker and a sports organizer and a graduate of Dibrugarh University who subsequently completed MBA from Institute of Management Education under Pune University. He is an entrepreneur businessman by profession.

**(x) Smt. Kalyani Baruah**

Smt. Kalyani Baruah, Managing Director, Assam Power Generation Corp. Ltd., was appointed w.e.f. 16<sup>th</sup> August, 2017 as Nominee Director of the Government of Assam under Section 161(3) of the

Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/167-A dated 16<sup>th</sup> August, 2017.

Smt. Baruah is a Fellow Member of the Institute of Chartered Accountants of India. She joined Assam State Electricity State Board (ASEB) in the year 2000 and had worked in different capacities as Chief Accounts Officer, ASEB, Chief General Manager (F&A), APDCL for the last twelve (12) years. Smt Baruah has overall experience in Finance & Accounts for more than seventeen (17) years.

She is also appointed as Director in the the Board of Directors of Assam Power Project Development Company Limited (APPDCL).

## 7. Disclosures and compliance

- There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- There was no instances of non-compliance of any provisions of Law, guidelines issued by any regulatory authorities as well as no penalties was imposed on the Company during the last three years.
- During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- The Company has spent ₹111.75 Lakhs on CSR and Sustainability activities out of the budgeted amount of ₹ 406.05 Lakhs during the financial year 2016-2017. The balance amount of committed and unspent amount of ₹ 304.10 Lakhs on CSR activities has been carried to the financial year 2017-2018.
- During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 8. Means of communication of financial performance

AGCL, being a non listed company, publishing of quarterly/half yearly and annual financial statements are not mandatory. However, as a good corporate practice, the Company has been sharing relevant information with its shareholders as well as other stakeholders from time to time through its web site ([www.assamgas.org](http://www.assamgas.org)), Annual Report, etc.

## 9. Management Discussion & Analysis Report

A detailed chapter on Management Discussion & Analysis is incorporated in the Directors' Report.

Financial year- AGCL follows the financial year from 1<sup>st</sup> April to 31<sup>st</sup> March.

Since the Company's shares are not listed, market price of share is not available.

### General information to shareholders:-

Number of AGM	55 <sup>th</sup> Annual General Meeting
Date and Time	26 <sup>th</sup> September, 2017 Time: 4.30 P.M.
Venue	<b>Assam Gas Company Limited</b> Co-ordination Office : Adams Plaza, 1 <sup>st</sup> Floor, Christian Basti, G. S. Road, Guwahati-781005

Dividend payment	The Board recommends Dividend @ 12.5% on its paid-up share capital of ₹16.91 Crores to the shareholders. If approved by the shareholders, the same will be paid within 30 days from the date of declaration.
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Since the Company's shares are not listed, market price of share is not available.

**Share Transfer system:**

The Board of Directors considers the request for transfer/transmission of shares etc.

Shareholding Pattern as on 31-03-2017:

Sl. No.	Name of shareholder	Capital contribution in ₹	Nos of shares held	Percentage of holding (%)
1.	Governor of Assam Industries & Commerce Deptt. Govt of Assam	16,91,44,800/-	1,691,448	99.99%
2.	Finance Deptt., Govt of Assam	100/-	1	0.01%
	Total	16,91,44,900/-	16,91,449	100%

**Registered Office:**

**CIN: U11101AS1962SGC001184**

Assam Gas Company Limited Campus

P.O. Duliajan, Dist: Dibrugarh

Pin-786602

Assam

**Co-ordination Office:**

1<sup>st</sup> Floor "Adams Plaza", Christian Basti,

G.S. Road, Guwahati-781005

Assam



**BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

**BIMAN DEBNATH**

B. Com., LLB, DTL., FCS.

Flat No- 402, Block-C, Prashanti Pride,

Tarun Nagar, ABC, Guwahati-781005, Assam, India

Tele : 0361-2463370(O), 9864028145(M)

Email: csbimandebnath@gmail.com

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**Annexure A (Contd.)**

To,  
The Members,  
M/s ASSAM GAS COMPANY LTD,  
CIN: U11101AS1962SGC001184  
P. O: Duliajan, Dibrugarh  
Assam - 786602,

**COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS**

We have examined the compliance of conditions of Corporate Governance by **M/s ASSAM GAS COMPANY LTD** (a Non-Listed PSU) for the year ended **31<sup>st</sup> March, 2017** as stipulated in the Guidelines on Corporate Governance for State Level Public Sector Units issued by Department of Public Enterprises (DPE), Government of Assam.

The compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the Guidelines except:

- a. Clause 3.1.1 relating to the Board of Directors /board of management / managing Committee shall have an optimum combination of Functional, Nominee and Independent Directors.
- b. Clause 3.1.3 relating to the number of Nominee Directors to be appointed by the Government which shall not exceed two.
- c. Clause 3.1.4 relating to the number of Independent Directors on the Board of the Company.
- d. Clause 3.4.3 relating to Guidelines and policies evolved by the State Government with respect to the structure, composition, selection, appointment and service conditions of the Board of Directors shall be strictly followed.
- e. Clause 4.1.1 relating to the composition of Audit Committee which states that two-thirds of the members of the Audit Committee shall be Independent Directors.
- f. Clause 4.1.2 relating to the chairman of the Audit Committee shall be an Independent Director.

**BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

**BIMAN DEBNATH**

B. Com., LLB, DTL., FCS.

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- 
- g. Clause 4.4 relating to the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings and the quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two Independent members must be present.
  - h. Clause 5.1 relating to the constitution of a remuneration committee comprising of atleast three Directors (i.e., Nominee Directors or Independent Directors), and the Committee should be headed by an Independent Director.
  - i. Clause 6.1 relating to Composition of the Board of Directors of the Subsidiary Company which states that atleast one Independent Director on the Board of Directors of the Holding Company shall be a Director of its Subsidiary Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the Affairs of the Company.

**For Biman Debnath & Associates  
Company Secretaries**

**Date: 07/09/2017****Place: Guwahati**

**Biman Debnath  
(Proprietor)  
C.P. No. 5857  
FCS No. 6717**

**BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

**BIMAN DEBNATH**

B. Com., LLB, DTL., FCS.

Flat No- 402, Block-C, Prashanti Pride,

Tarun Nagar, ABC, Guwahati-781005, Assam, India

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***Annexure B***

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**

**The Members,**

**M/s ASSAM GAS COMPANY LTD,**

**CIN: U11101AS1962SGC001184**

**P.O Duliajan, Dibrugarh,**

**Assam- 786602**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s ASSAM GAS COMPANY LTD** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing my opinion thereon.

**Based** on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit and visit to the workstation, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Memorandum and Articles of Association of the Company.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:



**BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

**BIMAN DEBNATH**

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- a. Factories Acts and Rules ;
- b. The Manufacture, Storage and Import of Hazardous Chemicals Rules,1989;
- c. The Environment (Protection) Act,1986;
- d. Air (Prevention and Control of Pollution) Act,1981;
- e. Petroleum and Minerals Pipelines (Acquisition of Rights of User Inland) Act, 1962
- f. Petroleum and Natural Gas Regularity Board Act, 2006

The Acts which are not applicable to the Company though forming part of the prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit Report.

Further, I have also examined compliance with the applicable clauses of the following:

- (i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (ii) The Information Technology Act, 2000
- (iii) Other Order, Laws and Instructions of the Government of Assam.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. **except** the following:-

1. *The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Independent Director during the financial year under review.*
2. *Website disclosure as per Section 136(1)(a) of the separate audited accounts of DNP Limited being its Subsidiary Company has not been displayed in the Company's respective website for the financial year 2015-16.*
3. *The alterations of the Articles of Association of the Company as per the new Companies Act, 2013 is still pending.*
4. *The agreement with the Subsidiary Company i.e., M/s DNP Limited for using the premises of the Company as office premises of the Subsidiary Company has expired and not renewed.*
5. *It is observed that the Departmental Heads are not upto date with the various Statutory Compliance requirements as applicable to the Company with respect to their functional area. These needs to be corrected and improved so that compliance requirements are met and declarations of compliance of the same is submitted to the Board.*

**BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

**BIMAN DEBNATH**

B. Com., LLB, DTL., FCS.

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Tarun Nagar, ABC, Guwahati-781005, Assam, India

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Email: csbimandebnath@gmail.com

6. *The Company has not displayed the name of the Occupier/Manager as per the Factories Act 1948 in the factory premises.*
7. *The Company could not obtain the consent to operate from the pollution control department inspite of payment of arrear dues as well as current dues.*
8. *Trade License from the concerned authority i.e. the Local authority has not been obtained for the trading activities undertaken by the Company as per the state Laws.*

***As informed and apprised by the Company, being a State Government Company, the appointment of Directors are done by the State Government and the Government has not yet appointed or nominated any Independent Director on the Board of the Company.***

**I further report that:**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors, Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For, Biman Debnath & Associates**  
**Company Secretaries**

**Sd/-**

**Place: Guwahati**  
**Date: 07<sup>th</sup> September, 2017**

**(C S Biman Debnath)**  
**Proprietor**  
**C.P. No.5857/ FCS No. 6717**

*This Report is to be read with our letter of even date which is **ANNEXURE-A**, and forms and integral part of this Report.*

**BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

**BIMAN DEBNATH**

B. Com., LLB, DTL., FCS.

Flat No- 402, Block-C, Prashanti Pride,

Tarun Nagar, ABC, Guwahati-781005, Assam, India

Tele : 0361-2463370(O), 9864028145(M)

Email: csbimandebnath@gmail.com

**Annexure A**

To,  
The Members,  
M/s ASSAM GAS COMPANY LTD,  
CIN: U11101AS1962SGC001184  
P.O Duliajan, Dibrugarh,  
Assam- 786602

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Biman Debnath & Associates  
Company Secretaries

Sd/-

Place: Guwahati  
Date: 07<sup>th</sup> September, 2017

(C S Biman Debnath)  
Proprietor  
C.P. No. 5857/ FCS No. 6717



**II. Management Replies to:****Observations of the Secretarial Auditor on Assam Gas Company Limited for the year 2016-2017:**

	<b>Secretarial Auditors observations for 2016-2017</b>	<b>Management Reply</b>
1.	<i>The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Independent Director during the financial year under review.</i>	<i>The Company has written to the Government of Assam enclosing a list of probable candidates who are eligible for Independent Directors. The Reply from the Government of Assam is awaited.</i>
2.	<i>Website disclosure as per Section 136(1)(a) of the separate audited accounts of DNP Limited being its Subsidiary Company has not been displayed in the Company's respective website for the financial year 2015-16.</i>	<i>Already complied.</i>
3.	<i>The alterations of the Articles of Association of the Company as per the new Companies Act, 2013 is still pending.</i>	<i>The alterations of the Articles of Association of the Company are in process.</i>
4.	<i>The agreement with the Subsidiary Company i.e., M/s DNP Limited for using the premises of the Company as office premises of the Subsidiary Company has expired and not renewed.</i>	<i>Noted for compliance</i>
5.	<i>It is observed that the Departmental Heads are not upto date with the various Statutory Compliance requirements as applicable to the Company with respect to their functional area. These needs to be corrected and improved so that compliance requirements are met and declarations of compliance of the same is submitted to the Board.</i>	<i>Noted for compliance.</i>
6.	<i>The Company has not displayed the name of the Occupier/Manager as per the Factories Act 1948 in the factory premises.</i>	<i>Noted for compliance.</i>
7.	<i>The Company could not obtain the consent to operate from the pollution control department inspite of payment of arrear dues as well as current dues.</i>	<i>Noted for corrective action.</i>
8.	<i>Trade License from the concerned authority i.e. the Local authority has not been obtained for the trading activities undertaken by the Company as per the state Laws.</i>	<i>Noted for compliance</i>
9.	<b>As informed and apprised by the Company, being a State Government Company, the appointment of Directors are done by the State Government and the Government has not yet appointed or nominated any Independent Director on the Board of the Company.</b>	<i>Action taken as mentioned in point (1)</i>

**I further report that:**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors, Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## FORM NO. AOC -2

**[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.]**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

**2. Details of contracts or arrangements or transactions at Arm's length basis :**

Names of the related party and nature of relationship	Nature of Contracts/ arrangement/ transactions	Duration of Contracts/ arrangement/ transactions	Salient terms of contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advance, if any
<b>DNP Limited (DNPL)</b>	Reimbursement of salary and other expenses incurred by AGCL for the persons deputed in DNPL and other expenses related to DNPL.	<b>Ongoing transactions</b>	DNPL will reimburse AGCL the manpower cost on Cost to the Company basis which comes to approximately 100% of the actual salary paid. (Rs.174.96Lakhs)	2009	Nil
<b>DNP Limited (DNPL)</b>	Payment of rental and electricity charges for office accommodation to AGCL	<b>Ongoing transactions</b>	₹24.32 Lakhs	<b>Not applicable</b>	Nil
<b>DNP Limited (DNPL)</b>	Payment of Interest on Loan to AGCL	<b>Ongoing transaction</b>	₹ 524.59 Lakhs	<b>February, 2016</b>	Nil
<b>DNP Limited (DNPL)</b>	Sale of Project Surplus Pipes	<b>One-time Transaction</b>	₹ 24.56 Lakhs	<b>6<sup>th</sup> August, 2016</b>	Nil
<b>DNP Limited (DNPL)</b>	Dividend received from DNPL	<b>Ongoing transaction</b>	₹ 145.01 Lakhs	<b>Not applicable</b>	Nil

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹.)  
(₹ in thousands)

Sl. No.	Particulars	Details
1. 1.	Name of the subsidiary	DNP Limited
2. 2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3. 3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4. 4.	Share capital	₹ 1,672,500
5. 5.	Reserves & surplus	₹ 351,551
6. 6.	Total assets	₹ 2,886,512
7. 7.	Total Liabilities(excluding shareholders fund)	₹ 862,461
8. 8.	Investments	NIL
9. 9.	Turnover	₹665,080
1010.	Profit before taxation	₹ 307,035
1111.	Provision for taxation(MAT + Deferred Tax Provision)	₹ 172,160
1212.	Profit after taxation	₹ 134,875
1313.	Proposed Dividend	₹ 41,813
1414.	% of shareholding	51%

As per our report of even date

For and on behalf of the Board of Directors

For S. K. Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

A. K. Sharma  
Managing Director  
DIN: 07285877

S. Kalita  
Director  
DIN:07845004

(CA PRADIP BAKSI)  
Partner  
(Membership No. 054264)

Vijay Kr. L.,  
Chief Financial Officer

D. Dev Gupta  
Company Secretary

Place: Guwhati  
Date: 25<sup>th</sup> July, 2017



**Part “B”: Associates and Joint Ventures ANNEXURE-D**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**I.**

Name of associates/Joint Ventures	Tripura Natural Gas Company Limited
1. Latest audited Balance Sheet Date	31 <sup>st</sup> March 2017
2. Shares of Associate/Joint Ventures held by the company on the year end	31 <sup>st</sup> March 2017
No.	1,00,000 equity shares
Amount of Investment in Associates/Joint Venture	1,00,000@ Rs. 100 each share ₹ 1,00,00,000/-
Extend of Holding%	25.51%
3. Description of how there is significant influence	Associate
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	₹16,50,27,791/-
6. Profit/Loss for the year	₹ 11,30,03,312/-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations- N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year- N.A.

As per our report of even date For and on behalf of the Board of Directors

For S. K. Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

A. K. Sharma  
Managing Director  
DIN: 07285877

S. Kalita  
Director  
DIN: 07845004

(CA PRADIP BAKSI)  
Partner  
(Membership No. 054264)

Vijay Kr. L.,  
Chief Financial Officer

D. Dev Gupta  
Company Secretary

Place: Guwhati  
Date: 25<sup>th</sup> July, 2017

**FORM NO. MGT 9**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

**EXTRACT OF ANNUAL RETURN**

**For the financial year ended on 31st March, 2017**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	<b>U11101AS1962SGC001184</b>
ii	Registration Date	<b>31/03/1962</b>
iii	Name of the Company	<b>ASSAM GAS COMPANY LTD</b>
iv	Category of the Company	<b>PRIVATE COMPANY/LIMITED BY SHARES</b>
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	<b>P. O. DULIAJAN</b>
	Town / City :	<b>DIBRUGARH</b>
	Pin Code:	<b>786602</b>
	State :	<b>ASSAM</b>
	Country Name :	<b>INDIA</b>
	Telephone (with STD Code) :	<b>0364-2800202</b>
	Fax Number :	<b>0364-2800221</b>
	Email Address :	<b>info@assamgas.org</b>
	Website, if any:	<b>www.assamgas.org</b>
vi	Whether listed company	<b>No</b>
	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	<b>Nil</b>
	Address :	<b>Nil</b>
	Town / City :	<b>Nil</b>
vii	State :	<b>Nil</b>
	Pin Code:	<b>Nil</b>
	Telephone :	<b>Nil</b>
	Fax Number :	<b>Nil</b>
	Email Address :	<b>Nil</b>

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product / service</b>	<b>% to total turnover of the company</b>
1	Transportation and distribution of Natural Gas	99611912	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

No. of Companies for which information is being filled	2
--	---

<b>Sl. No.</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY /ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	DNP Limited	U51410AS2007SGC008410	Subsidiary	51.00%	2(87)
2	Tripura Natural Gas Company Limited	U23201TR1990SGC003451	Associate	25.51%	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual/ HUF	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt	-	16,91,449	16,91,449	100.00%	-	16,91,449	16,91,449
d) Bodies Corp.							
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-						
Nominee of Promoter (7 Nos) i.e. BPCL/GOA	-	-	-	-	-	-	-
<b>(2) Foreign</b>							
a) NRI - Individual/	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	16,91,449	16,91,449	100.00%	-	16,91,449	16,91,449
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-



e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)										
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	16,91,449	16,91,449	100.00%	-	16,91,449	16,91,449	100.00%	16,91,449	100.00%

## ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Government of Assam	16,91,448	99.99%	-	16,91,448	99.99%	-	NO CHANGE
2	Secretary Finance, Govt. of Assam	1	0.01%		1	0.01%		
	<b>TOTAL</b>	16,91,449	100.00%	-	16,91,449	100.00%	-	-

## iii. Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No. I - Government of Assam		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		16,91,448	99.99%	16,91,448	99.99%
Changes During the Year		No Change			
Increase					
Date	Reason for Increase	No Change			
Decrease					
Date	Reason for Decrease	No Change			
At the End of the year		16,91,448	99.99%	16,91,448	99.99%





<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
At the End of the year (or on the date of separation, if separated during the year)				

**v. Shareholding of Directors and Key Managerial Personnel: NIL**

<b>S. No.: 1 Mr. _____</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year					
Changes During the Year					
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
At the End of the year					

<b>S. No.: 2 Mr. _____</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year					

Changes During the Year					
Decrease					
Date	Reason for Decrease				
Decrease					
Date	Reason for Decrease				
At the End of the year					

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year 2014-15	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	-	-	Nil	-
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	Nil	-
Change in Indebtedness during the financial year 2014-15				
* Addition	-	-	Nil	-
* Reduction	-	-	Nil	-
<b>Net Change</b>	-	-	Nil	-
Indebtedness at the end of the financial year 2014-15				
i) Principal Amount	-	-	Nil	-
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	-	-	Nil	-
<b>Total (i+ii+iii)</b>	-	-	Nil	-

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		A.K.Sharma			
1	Gross salary	18,42,410			18,42,410
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,62,478			17,62,478
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	79,932			79,932
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	18,42,410			18,42,410
	Ceiling as per the Act	79 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act,2013			

Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		A	B	C	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings				
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)				
2	<b>Other Non-Executive Directors</b>	<b>R. Hazarika</b>	<b>A. K. Borkotoky</b>	<b>H.A. Khan</b>	
	Fee for attending board committee meetings	40000	15000	10000	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)				
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	NA			



**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary	15,01,802	8,83,125	23,84,927
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,64,157	8,63,455	23,27,612
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	37,645	19,670	57,315
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	15,01,802	8,83,125	23,84,927

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**
**NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	Nil	-	-
Punishment	-	-	Nil	-	-
Compounding	-	-	Nil	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	Nil	-	-
Punishment	-	-	Nil	-	-
Compounding	-	-	Nil	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	Nil	-	-
Punishment	-	-	Nil	-	-
Compounding	-	-	Nil	-	-

## **Annexure-F**

### **Corporate Social Responsibility and Sustainability**

With a strong commitment towards socioeconomic development and environmental protection of the region, AGCL has taken up various CSR initiatives for improving the living conditions of less privileged people in the operational area of the company. The vision of sustainable inclusive growth drives both business as well as corporate social responsibility activities. The CSR & Sustainability Policy of the Company was approved by the Board on 23<sup>rd</sup> April, 2015 which was subsequently revised by the Board in its meeting held on 29<sup>th</sup> June, 2016 to enhance its scope in line with provision of the Companies Act, 2013.

**OBJECTIVE:** The objective of the Policy is to:

- (a) Formulate, implement, monitor and evaluate CSR and sustainability projects / activities through a structured mechanism.
- (b) Include CSR proposals in the company's annual budget and ensure effective utilization of the allocated resources.
- (c) Provide a monitoring and evaluation methodology / philosophy.

The Policy is to ensure conformity to Section 135 of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, and applicable guidelines on CSR and Sustainability as issued / may be issued by Ministry of Corporate Affairs, Govt of India, Deptt of Public Enterprises, Govt of Assam and in their absence, by Deptt of Public Enterprises, Govt of India.

The CSR structure of Assam Gas Company Ltd consists of two tiers:

Tier -I : comprising of at least three members of the Board representing functional, nominee and independent directors.

Tier - II : Nodal Officer assisted by a team of officials which will comprise upto six employees of the company from various functional areas.

- (a) The Tier-I Committee recommends the proposals for approval of the Board exceeding ₹ 5.00 Lakhs in each case. It approves the CSR Projects and Budget for the year and also monitor implementation of the approved Policy and projects, evaluate performance of the projects / activities and report on a semi-annual basis to the Board. The Tier-I Committee acts as advisor to Tier-II CSR committee.
- (b) The Tier-II Committee is to be chaired by the Nodal Officer and is responsible for the following:
  - (i) Identify CSR and Sustainability projects on the basis of need assessment based on surveys conducted in house or through external agencies, discussions with stakeholders, civic bodies, etc.
  - (ii) Identify and propose suitable and competent agencies which may be able to execute the projects for and on behalf of the company.
  - (iii) Monitor implementation of the projects.
  - (iv) Any other CSR related activity such as media management, etc.

Out of ₹406.05 Lakhs available for 2016-2017 which includes carry over from previous year, unspent administrative overheads, etc, ₹299.00 Lakhs was allocated to various projects of which ₹111.75 Lakhs was spent till 31<sup>st</sup> March 2017.

Some of the projects are long term and payments are being released based on project execution milestones. The balance of ₹ 107.00 Lakhs (comprising unallocated and unspent overheads) has been added to the CSR fund for financial year 2017-2018. Unallocated amounts include:-

- a) projects withdrawn to avoid duplication of efforts by other agencies / government
- b) funds kept for meeting any emergent requirements.

Members of the CSR & Sustainability Committee confirm that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

**Shri Sidhartha Bordoloi**

Director

**Shri Sanat Kalita**

Chairman, CSR Committee

**Shri A. K. Sharma**

Director



## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

### ANNEXURE - F TO DIRECTORS' REPORT (contd)

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	
	<p>Outline of CSR Policy :</p> <p>(a) Promoting health care and sanitation and making available safe drinking water under Clause <b>(i)</b> of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013.</p> <p>(b) Promoting education, employment enhancing vocation skills, livelihood enhancement projects under Clause- <b>(ii)</b> of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013</p> <p>(c) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups under Clause- <b>(iii)</b> of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013</p> <p>(d) Ensuring environmental sustainability, ecological balance under <b>Clause (iv)</b> of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013.</p> <p>(e) Promotion and development of traditional arts and handicrafts under <b>Clause v</b> Responsibility Policy) Rules, 2014 of the Companies Act, 2013.</p> <p>(f) Contribution to funds set up by the Central Government for socio-economic development and relief and welfare of women under Clause- <b>(viii)</b> of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013.</p> <p>Rural Development Projects under Clause- (x) of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013</p>	<p>Refer to following Sections of the Directors' Report :</p> <p>(a) Corporate Social Responsibility and</p> <p>(b) Disclosures: CSR Committee in this Report.</p>
	<p>Proposed Projects during the year 2016-2017 :</p> <ul style="list-style-type: none"> <li>• Development work at Soraguri Sapor</li> <li>• Project Rupkathar Gaon – Chapatoli 1 into a model village</li> <li>• Project Pratyasha – Skill development &amp; placement</li> <li>• Project Deepsikha – Rehabilitation Centre for Cancer patients</li> <li>• Janitorial Service at AMCH, Dibrugarh</li> <li>• Project Ashadeep – Distribution of 500 solar lamps</li> </ul>	
	Web link to CSR Policy & Projects : <a href="http://www.assamgas.org/csr.html">www.assamgas.org/csr.html</a>	

2	Average net profit of the Company for last three financial years	₹9850.00
3	Prescribed CSR expenditure (Two percent of the amount mentioned in item 2 above)	₹ 197.00 Lakhs
4	Details of CSR spent during the financial year	₹ 112 Lakhs
5	Total Amount to be spent for the Financial Year 2016-17 (including carried over from previous year)  (a) Total Funds Available (b) Allocated for Projects	₹ 406.05 Lakhs ₹ 299.00 Lakhs
6	Amount unspent, if any (including committed but not spent till 31 <sup>st</sup> March 2017)	₹ 304.10 Lakhs
7	Manner in which the amount spent during the year	As per Memorandum of Understandings signed with the implementation partners / beneficiaries

#### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-17

Sl No	CSR Project or Activity Identified	Sector in which the project is covered (Clause No of Schedule VII to the Companies Act, 2013 as amended)	Project of Program 1. Local Area or other 2. Specify the state and district where projects or programs undertaken	Amount outlay (Budget) Project or Program wise (₹in lakhs)	Amount spent on the Projects or Programs. Sub Heads (1) Direct Expenditure on Projects or Programs (2) Overheads (₹in lakhs)	Cumulative Expenditure upto the Reporting Period, i.e., FY 2016-2017 (₹in lakhs)	Amount Spent Direct or through Implementing Agency
1	Project Parijat Kanan	Clause(iv)	Dibrugarh, Tinsukia	16.08	14.73	15.48	Direct
2	Project Parimal Basudha	Clause(i)	Dibrugarh	45.08	22.54	33.81	Direct
3	Project Shyamalima	Clause(iv)	Duliajan	33.00	19.73	19.73	Implementing Agency
4	Project Rupkathar Gaon	Clause(x)	Dibrugarh	150.00	24.17	24.17	Implementing Agency
5	Project Pratyasha	Clause(ii)	Upper Assam	40.00	23.43	35.40	Implementing Agency
6	Project Deepsikha	Clause(iii)	Jorhat	34.00	0.00	8.63	Implementing Agency
7	Project Ashadeep	Clause(ii)	Upper Assam	10.00	4.50	4.50	Implementing Agency
8	One term misc. exp		Upper Assam		2.65	2.65	
	Total			328.16	111.75	123.77	

## **ASSAM GAS COMPANY LIMITED**

### **Independent Auditor's Report**

**To the Members of ASSAM GAS COMPANY LIMITED**

#### **Report on the Standalone Ind AS Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of '**Assam Gas Company Limited**' ('the Company'), which comprise the balance sheet as at **31 March 2017**, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

#### **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the



disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate

report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 (v) & 33(x) to the standalone Ind AS financial statements;
- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the standalone Ind AS financial statements;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer 34 to the standalone Ind AS financial statements.

As required by Section 143 (5) of the Act, we report as per Directions and sub-directions received from Comptroller & Auditor General of India as under :

#### **Directions**

1. The Company has not been selected for disinvestment.
2. The company has made provision Rs. 5,58,71,289/- during the year towards bad and doubtful debts.
3. There are no inventories lying with third parties & Assets received as gift from Govt. or other authorities.
4. There are no pending legal / arbitration cases except cases for carrying out normal course of business.

#### **Sub-Directions**

##### **1. Land**

- (i) Title / Lease Deeds : We have examined Title/ Lease Deeds of the landed property of the Company property, whether freehold / leasehold. In the course of our examination it was observed that the land where the administrative Office and Compressor Machines of the company are situated, has not been registered in its name. The said land is yet to be formally transferred to the company – which was allotted by the Government of Assam to the company in the year 1968; and since then under their occupation, however the company has initiated action in this regard. We have not come across any other cases where deeds are not available or that title is disputed or the property is under encroachment.

(ii) Physical Survey: The Company did not conduct physical survey during the year.

## **2. Trade and Other Receivables**

- (i) The amount receivable from various parties as reflected under Trade Receivables amounting to Rs. 92,42,22,962/-remains mostly unreconciled and unconfirmed. The above amount includes Rs 40,38,37,114/- being long outstanding dues from ASEB and Rs. 20,32,26,549/- due from Eastern India Powertech Ltd, which is under arbitration
- (ii) Not applicable, in view of answer to sr. no. (i) above, being not confirmed at all.

For **S. K. Mallick & Co.**  
*Chartered Accountants*  
(Firm Registration No. 324892E)

Place : Guwahati (Camp)

Dated : 25<sup>th</sup> July 2017

[Pradip Baksi]  
Partner  
Membership No. 054264



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except that the land where the Administrative Office and the Compressor Machines of the company are situated, has not been registered in its name. The said land is yet to be formally transferred to the company – which was allotted by the Government of Assam to the company in the year 1968; and since then under their occupation, however the Company has initiated action in this regard.
- (d) The amount receivable from various parties as reflected under Trade Receivables amounting to Rs. 98,00,94,251/- remains mostly unreconciled and unconfirmed.
- (ii) As explained to us, the inventories of store items and spares were physically verified at regular intervals by the Management and discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has granted loans to one (two) bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the

Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name Of Statute	Nature Of Dues	Amount(Rs)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending
Income Tax Act	Tax	3 93 305	A.Y. 2006-07	Assessing Officer
Income Tax Act	Tax	54 479	A.Y. 2007-08	Assessing Officer
Income Tax Act	Tax	4 687	A.Y. 2008-09	CPC Bangalore
Income Tax Act	Tax	43 82 510	A.Y. 2009-10	Assessing Officer
Income Tax Act	Tax	63 83 200	A.Y. 2010-11	Assessing Officer
Income Tax Act	Tax	14 56 630	A.Y. 2011-12	Assessing Officer
Income Tax Act	Tax	4 67 900	A.Y. 2012-13	Assessing Officer
Assam VAT ACT	Tax (including interest)	21 03 41 937	F.Y. 2006-07	Assessing Officer
Assam VAT ACT	Tax (including interest)	2 31 54 048	F.Y. 2007-08	Additional Commissioner, Assam VAT
Assam VAT ACT	Tax (including interest)	21 43 54 758	F.Y. 2008-09	Assam Board of Revenue
Service Tax	Tax	4 02 28 701	2007 to 2012	CESTAT, Kolkata
Service Tax	Tax	52 28 245	2012-2013	CESTAT, Kolkata
Service Tax	Tax	87 72 606	Oct'12 to Sep'13	CESTAT, Kolkata

Service Tax	Tax	1 52 56 361	Apr'09 to Mar'14	CESTAT, Kolkata
Service Tax	Tax	24 28 855	2013-2014	CESTAT, Kolkata
Service Tax	Tax	88 36 530	Oct'13 to Sep'14	CESTAT, Kolkata
Service Tax	Tax	93 14 202	Oct'14 to Sep'15	Commissioner Appeal, Guwahati

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S. K. Mallick & Co.**

*Chartered Accountants*

(Firm Registration No. 324892E)

Place : Guwahati (Camp)

Dated : 25<sup>th</sup> July 2017

[Pradip Baksi]

*Partner*

Membership No. 054264



## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ASSAM GAS COMPANY LIMITED ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. K. Mallick & Co.**

*Chartered Accountants*

(Firm Registration No. 324892E)

Place : Guwahati (Camp)

[Pradip Bakshi]

Dated : 25<sup>th</sup> July 2017

*Partner*

Membership No. 054264

## **S. K. MALLICK & CO.**

*Chartered Accountants*

BIKANER BUILDINGS, 1<sup>st</sup> FLOOR, ROOM No. 2  
8-B, LALBAZAR STREET, KOLKATA - 700001  
Phone (033) 6526 2939 / 4005 3787  
E-mail : skmco.ca@gmail.com

### ADDENDUM TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSAM GAS COOMPANY LIMITED.

In page 3 of our Report under Directions as required under section 143(5) of the Companies Act, 2013 point no. 2 should be read as :

2. The Company has made cumulative provision of Rs.5,58,71,289/- but no provision made during the year, towards bad and doubtful debts.

Place : Gwahatu

Date : 31.08.2017

For S.K.MALLICK & CO.  
Chartered Accountants  
  
PRADIPT BAKSI  
Partner M. No. 054264

Branch : C/o. S.R.PAUL, NEAR STUDIO ORIENT, P.O. : MORAN HAT, A.T.ROAD, DIST. : DIBRUGARH, ASSAM - 785 670





**कार्यालय महालेखाकार (लेखापरीक्षा), असम, बेलतला, गुवाहाटी-29**  
**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT), ASSAM,**  
**MAIDAMGAON, BELTOLA, GUWAHATI-29**

**BY SPEED POST**

No. ES / CAW/ BS/ 2-8/2017-18/398

Date :20/09/2017

To,  
**The Managing Director,**  
**Assam Gas Company Ltd,**  
**P.O. Duliajan,**  
**Dibrugarh-786602**

**Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Assam Gas Company Ltd. for the year 2016-17.**

Sir,

I am to forward herewith the comments of the Comptroller and Auditor General of India under Section 143 (6)(b) of the Companies Act, 2013 on the accounts of Assam Gas Company Ltd. for the year ended 31 March 2017 for placing them before the Annual General Meeting of the Company.


The date of adoption of accounts in the Annual General Meeting of the Company may please be intimated.

Five copies of the printed Annual Report of the Company, when ready, may please be sent to this office.

Receipt of this letter with its enclosures may please be acknowledged.

**Encl:** As stated.

Yours faithfully,

  
**Sr. Deputy Accountant General ,**  
**(Economic Sector).**

**REGISTERED**

**Memo ES / CAW/ BS/ 2-8/2017-18/399**

Date :20/09/2017

Copy forwarded for information and necessary action to:

The Additional Chief Secretary, Government of Assam, Public Enterprises Department,  
 'Assam Sachivalaya,' C Block, 3rd Floor, Dispur, Guwahati-781006.

Sd/-  
**Sr. Deputy Accountant General,**  
**(Economic Sector)**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF ASSAM GAS COMPANY LIMITED FOR THE  
YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of **ASSAM GAS COMPANY LIMITED** for the year ended **31 March, 2017**, in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act), is the responsibility of the management of the company. The statutory auditors, appointed by the Comptroller and Auditor General of India, under section 139(5) of the Act, are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **25 JULY, 2017**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit, under section 143(6)(a) of the financial statements of **ASSAM GAS COMPANY LIMITED** for the year ended **31 March 2017**. This supplementary audit has been carried out independently, without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

## **A. COMMENTS ON PROFITABILITY**

### **1. Balance Sheet**

#### **Equity and Liabilities**

#### **Liabilities**

#### **Deferred Tax Liability (note-18) ₹ 7.22 crore**

The Company wrote back accumulated depreciation of ₹ 60.78 crore due to change in method of depreciation from Written down Value to Straight Line Method. After write back of accumulated depreciation the Net block of the depreciable assets stood at ₹ 120.69 crore and ₹ 52.31 crore as per Companies Act and Income Tax Act respectively. Thus the Company is required to create provision of ₹ 23.66 crore (applicable tax of 34.6080 percent on differential amount of ₹ 68.38 crore) for deferred tax liabilities, against which the Company has created provision for ₹ 7.22 crore only. This resulted in overstatement of General Reserve under 'Other Equities' and understatement of Other Financial Liabilities by ₹ 16.44 crore each.

**For and on the behalf of the  
Comptroller and Auditor General of India**



**Accountant General (Audit), Assam**

**Place: Guwahati**

**Date: 20/09/2017**



## ADDENDUM TO THE DIRECTORS REPORT FOR THE FINANCIAL YEAR 2016-2017

### Annexure-

#### I. Management Replies to :

**Comments of the Comptroller & Auditor General Of India on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2017:**

Sl. No.	Comments of the Comptroller & Auditor General of India on the Annual Accounts of the Company for the year ended 31 <sup>st</sup> March 2017	Management Reply
	<b>A. COMMENTS ON PROFITABILITY</b>	
	<p><b>1. Balance Sheet Equity and Liabilities Liabilities Deferred Tax Liability (note-18) ₹ 7.22 crore</b></p>	
1.	<p>The Company wrote back accumulated depreciation of ₹ 60.78 crore due to change in method of depreciation from Written down Value to Straight Line Method. After write back of accumulated depreciation the Net block of the depreciable assets stood at ₹120.69 crore and ₹52.31 crore as per Companies Act and Income Tax Act respectively. Thus the Company is required to create provision of ₹23.66 crore (applicable tax of 34.6080 percent on differential amount of ₹68.38 crore) for deferred tax liabilities, against which the Company has created provision for ₹7.22 crore only. This resulted in overstatement of General Reserve under 'Other Equities' and understatement of Other Financial Liabilities by ₹16.44 crore each.</p>	<p><b>Managements' Reply :</b> Short provisioning of the 'Deferred Tax Liability' stated above pertains to accounts for the Financial Year 2015-16 and the same will be reviewed and required rectification, if any, will be done in the next years' accounts.</p>

## Managements' Reply to Standalone Independent Auditor's Report for the year ended 31<sup>st</sup> March, 2017

Sl. No	Standalone Independent Auditor's Report	Managements' Reply
1.	<p><u>Opinion</u></p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.</p>	Managements' Reply: Noted.
2.	<p><u>Report on Other Legal and Regulatory Requirements</u></p> <p>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.</p> <p>2. As required by Section 143(3) of the Act, we report that:</p> <ol style="list-style-type: none"> <li>We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.</li> <li>In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;</li> <li>The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;</li> <li>In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;</li> <li>On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;</li> <li>With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and</li> <li>With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: <ol style="list-style-type: none"> <li>The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 (v) &amp; 33(x) to the standalone Ind AS financial statements;</li> <li>The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the standalone Ind AS financial statements;</li> <li>There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and</li> <li>The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer 34 to the standalone Ind AS financial statements.</li> </ol> </li> </ol>	Managements' Reply: Compliance Report, Noted for future guidance.
	<p>As required by Section 143 (5) of the Act, we report as per Directions and sub-directions received from Comptroller &amp; Auditor General of India as under :</p> <p>Directions</p> <ol style="list-style-type: none"> <li>The Company has not been selected for disinvestment.</li> <li>The company has made cumulative provision Rs. 5,58,71,289/- but no provision made during the year, towards bad and doubtful debts.</li> <li>There are no inventories lying with third parties &amp; Assets received as gift from Govt. Or other authorities.</li> <li>There are no pending legal / arbitration cases except cases for carrying out normal course of business.</li> </ol>	Managements' Reply: Noted.

<p><u>Sub-Directions</u></p> <p>1. Land</p> <p>i. Title / Lease Deeds : We have examined Title/ Lease Deeds of the landed property of the Company property, whether freehold / leasehold. In the course of our examination it was observed that the land where the administrative Office and Compressor Machines of the company are situated, has not been registered in its name. The said land is yet to be formally transferred to the company – which was allotted by the Government of Assam to the company in the year 1968; and since then under their occupation, however the company has initiated action in this regard. We have not come across any other cases where deeds are not available or that title is disputed or the property in under encroachment.</p> <p>ii. Physical Survey: The Company did not conduct physical survey during the year.</p>	<p>Managements' Reply: Noted.</p>
<p>2. Trade and Other Receivables</p> <p>(i) The amount receivable from various parties as reflected under Trade Receivables amounting to Rs. 92,42,22,962/-remains mostly unreconciled and unconfirmed. The above amount includes Rs 40,38,37,114/- being long outstanding dues from ASEB and Rs. 20,32,26,549/- due from Eastern India Powertech Ltd, which is under arbitration</p>	<p>Managements' Reply: The company has sought confirmation of balances of all the debtors but reply has been received from 132 nos. of consumers only confirming the balances. However, this will be looked into in future.</p> <p>The outstanding balances of Rs.40,38,37,114/- from ASEB is due to certain issues raised by ASEB and the Company has taken necessary steps to resolve the issues through discussions at the earliest, while for the outstanding balance of Rs.20,32,26,549/- from EIPL the Company has resorted to legal recourse through Arbitration for the recovery of the same.</p>
<p>(i) Not applicable, in view of answer to sr. no. (i) above, being not confirmed at all.</p>	
<p>Annexure - A to the Auditors' Report</p> <p>The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:</p> <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except that the land where the Administrative Office and the Compressor Machines of the company are situated, has not been registered in its name. The said land is yet to be formally transferred to the company – which was allotted by the Government of Assam to the company in the year 1968; and since then under their occupation, however the Company has initiated action in this regard.</p> <p>(d) The amount receivable from various parties as reflected under Trade Receivables amounting to Rs. 98,00,94,251/- remains mostly unreconciled and unconfirmed.</p>	<p>Managements' Reply : Sl. (a) to (c) noted. For sl. (d), the company has sought confirmation of balances of all the debtors but reply has been received from 132 nos. of consumers only confirming the balances. However, this will be looked into in future.</p>



(ii) As explained to us, the inventories of store items and spares were physically verified at regular intervals by the Management and discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.	Managements' Reply: Noted.																																																																																										
(iii) The Company has granted loans to one (two) bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated. (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.	Managements' Reply: Noted.																																																																																										
iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.	Managements' Reply: Noted.																																																																																										
(v) The Company has not accepted any deposits from the public.	Managements' Reply: Noted.																																																																																										
(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.	Managements' Reply: Noted.																																																																																										
(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.	Managements' Reply: Noted.																																																																																										
(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:	Managements' Reply: Noted for necessary action. In case of Income Tax, amounts due on account of dis-allowance of expenses for different years are on appeal and we have taken up the matter with the AO through our Tax consultants. In case of Service Tax, on issues like tax on MDC TC, Marketing Margin and other misc. Issues, the appeals are pending before the CESTAT and are yet to come up for hearing and we are following up the same through our Tax consultants. In case of VAT – VAT demanded on TC, are on appeal.																																																																																										
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(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.	Managements' Reply: Noted.
(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.	Managements' Reply: Noted.
(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.	Managements' Reply: Noted.
(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.	Managements' Reply: Noted.
(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	Managements' Reply: Noted.
(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.	Managements' Reply: Noted.
(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	Managements' Reply: Noted.
(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.	Managements' Reply: Noted.
(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.	Managements' Reply: Noted.
<b>Annexure - B to the Auditors' Report</b> <b>Inherent Limitations of Internal Financial Controls over Financial Reporting</b> Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. <b>Opinion</b> In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.	Managements' Reply: Noted.
<b>Managements' Reply to Independent Auditors' Report on the Consolidated Financial Statements Opinion</b> 1. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date. We did not audit the financial statements of one subsidiary and one associate and jointly controlled entity of the holding company. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements.	Managements' Reply: Noted.



<p><b>Report on Other Legal and Regulatory Requirements</b></p> <p>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order.</p> <p>2. As required by Section 143(3) of the Act, we report that:</p> <p>(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.</p> <p>(b) In our opinion proper books of account as required by law have been kept by the holding company, subsidiary company and associate company and jointly controlled companies incorporated in India so far as it appears from our examination of those books;</p> <p>(c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;</p> <p>(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;</p> <p>(e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;</p> <p>(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure and</p> <p>(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <ol style="list-style-type: none"> <li>there were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities;</li> <li>the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.; and</li> <li>there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.</li> <li>the holding company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer 35 to the consolidated Ind AS financial statements.</li> </ol>	<p>Managements' Reply: Noted the compliance Report.</p>
<p><b>Annexure to the Auditors' Report on the Consolidated Financial Statements</b></p> <p><b>Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")</b></p> <p><b>Opinion</b></p> <p>In our opinion, to the best of our information and explanation given to us and based on the consideration of the reports of other auditors, the holding company, its subsidiaries, associates and jointly controlled entities which are incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.</p>	<p>Managements' Reply: Noted.</p>



# Independent Auditors' Report on the Consolidated Financial Statements

## TO THE MEMBERS OF ASSAM GAS COMPANY LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of '**Assam Gas Company Limited**' (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the the Group including its Subsidiaries, Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

We did not audit the financial statements of one subsidiary and one associate and jointly controlled entity of the holding company. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements.

### **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order.
10. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the holding company, subsidiary company and associate company and jointly controlled companies incorporated in India so far as it appears from our examination of those books;

- (c) the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- there were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities;
  - the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.; and
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
  - the holding company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer 35 to the consolidated Ind AS financial statements.

For **S. K. Mallick & Co.**

*Chartered Accountants*

*(Firm Registration No. 324892E)*

*Place : Guwahati (Camp)*

*Dated : 25<sup>th</sup> July 2017*

[Pradip Baksi]

Partner

Membership No. 054264



# Annexure to the Auditors' Report on the Consolidated Financial Statements

*(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)*

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the accompanying consolidated Ind AS financial statements of '**Assam Gas Company Limited**' (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"), in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the holding company, its subsidiaries, associates and jointly controlled entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the holding company, its subsidiaries, associates and jointly controlled entities internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and explanation given to us and based on the consideration of the reports of other auditors, the holding company, its subsidiaries, associates and jointly controlled entities which are incorporated in India has, in all material respects, an

adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. K. Mallick & Co.**

*Chartered Accountants*

*(Firm Registration No. 324892E)*

*Place : Guwahati (Camp)*

*Dated : 25<sup>th</sup> July 2017*

[Pradip Baksi]

Partner

Membership No. 054264



**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN :: ASSAM**

**BALANCE SHEET**

(Amount in Rupees)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>A ASSETS</b>				
<b>1) Non-current assets</b>				
(a) Property, Plant & Equipments				
(i) Tangible assets	4			
a. Gross Block		134 67 32 562	128 18 40 128	116 14 88 021
b. <u>Less:</u> Depreciation		11 84 94 151	5 80 04 103	0
c. Net Block		122 82 38 411	122 38 36 025	116 14 88 021
d. Revalued Fixed Assets				
		<b>122 82 38 411</b>	<b>122 38 36 025</b>	<b>116 14 88 021</b>
(b) Capital Work in progress	5	5 66 36 437	5 81 75 927	4 94 83 084
(c) Non-current investments	6	86 30 00 000	86 30 00 000	86 30 00 000
(d) Financial Assets	7	10 91 15 327	40 89 85 315	10 50 881
(e) Other non-current assets	8	13 06 908	13 13 428	18 30 497
		<b>103 00 58 672</b>	<b>133 14 74 670</b>	<b>91 53 64 462</b>
<b>2) Current assets</b>				
(a) Inventories	9	17 61 44 306	14 48 87 301	16 07 85 426
(b) Financial Assets				
- Trade receivables	10	92 42 22 962	100 46 67 681	83 79 18 201
- Cash and cash equivalents	11	395 55 86 071	299 61 79 566	292 48 28 115
- Short-term loans and advances	12	72 11 10 958	70 76 89 992	45 13 04 306
(c) Other current assets	13	11 87 50 258	10 44 41 500	13 80 82 139
		<b>589 58 14 555</b>	<b>495 78 66 040</b>	<b>451 29 18 187</b>
<b>TOTAL</b>		<b>815 41 11 638</b>	<b>751 31 76 735</b>	<b>658 97 70 670</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
a. Equity Share Capital	14	16 91 44 900	16 91 44 900	16 91 44 900
b. Other Equity	15	661 26 55 955	594 36 21 222	528 94 63 783
		<b>678 18 00 855</b>	<b>611 27 66 122</b>	<b>545 86 08 683</b>
<b>2. Liabilities</b>				
a. Non Current Liabilities				
Financial Liabilities				
- Borrowings	16	0	0	0
- Other Financial Liabilities	17	51 32 91 369	50 19 34 809	35 92 27 883
b. Deferred tax liability ( net)	18	7 21 94 005	6 55 77 114	5 73 40 345
c. Provisions	19	<b>18 65 016</b>	<b>17 11 661</b>	<b>1 79 00 000</b>
		<b>58 73 50 390</b>	<b>56 92 23 584</b>	<b>43 44 68 228</b>

<b>3. Current Liabilities</b>			
a. Financial Liabilities			
- Trade payables	20	<b>22 22 91 940</b>	<b>27 24 36 333</b>
- Other Financial Liabilities	17	2 59 08 200	3 66 40 700
b. Other current liabilities	21	16 70 04 942	16 40 68 440
c. Provisions	22	36 97 55 311	35 80 41 557
		<b>78 49 60 393</b>	<b>83 11 87 030</b>
<b>TOTAL</b>		<b>815 41 11 638</b>	<b>751 31 76 735</b>
			<b>658 97 70 670</b>

*Corporate Information & Significant Accounting Policies 1 & 2*  
*Notes On Transition To Ind As 3*

In terms of our report of even date attached to herewith

**A. K. Sharma**  
Managing Director  
DIN: 07285877

**S. Kalita**  
Director  
DIN: 07845004

For S K Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

**Vijay Kr. L.,**  
Chief Financial Officer

**D. Dev Gupta**  
Company Secretary

**(CA. PRADIP BAKSI)**  
Partner  
(Membership No. 054264)

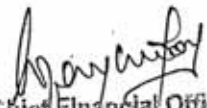
Place: Guwhati  
Date: 25<sup>th</sup> July, 2017


**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**STATEMENT OF PROFIT & LOSS**


(Amount in Rupees)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016
I. Revenue from operations	23	221 41 41 301	279 57 08 606
II. Other income	24	47 75 82 116	39 81 53 283
III. Total Revenue ( I + II )		269 17 23 417	319 38 61 889
IV. Expenses:			
Purchases of stock in trade	25	93 86 00 163	146 47 00 131
Employee benefit expenses	26	41 79 10 652	40 49 87 894
Finance costs	27	1 50 30 815	1 22 88 997
Depreciation and amortization	4	6 10 54 788	5 80 04 103
Other expenses	28	20 24 88 479	22 95 46 577
Total expenses		163 50 84 897	216 95 27 702
V. Profit before exceptional and extraordinary items and tax ( III - IV )		105 66 38 520	102 43 34 187
VI. Exceptional Items			
VII. Profit before extraordinary items and tax ( V - VI )		105 66 38 520	102 43 34 187
VIII. Prior period & Extraordinary Items		9 79 220	( 1 44 642 )
IX. Profit before tax ( VII - VIII )		105 56 59 300	102 44 78 829
X. Tax expenses			
1) Current tax	29	36 15 59 952	34 28 80 224
2) Deferred tax	18	66 16 891	82 36 769
		36 81 76 843	35 11 16 993
XI. Profit for the period from continuing operations ( IX - X )		68 74 82 457	67 33 61 836
XII. Profit from discontinuing operations		0	0
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit from Discontinuing operations ( after tax ) ( XII - XIII )		0	0
XV. Profit for the period ( XI + XIV )		68 74 82 457	67 33 61 836

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
Company Secretary  
Assam Gas Company Ltd.

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004






**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

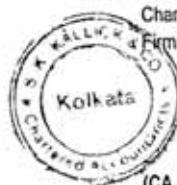
**STATEMENT OF PROFIT & LOSS**

(Amount in Rupees)

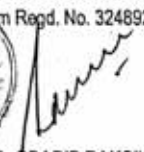
Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016
(continued)			
XVI. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
B (i) Items that will be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will be reclassified to profit or loss		0	0
XVII. Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		68 74 82 457	67 33 61 836
XVIII. Earnings per equity share:	30		
(1) Basic		406	398
(2) Diluted		406	398

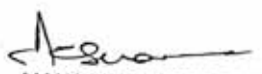
  
**Chief Financial Officer**  
**Assam Gas Co. Ltd.**  
**P O Duliajan**

In terms of our report of even date attached to herewith




For S K Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

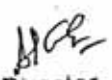
  
**(CA. PRADIP BAKSI)**  
Partner  
(Membership No. 054264)

  
**MANAGING DIRECTOR**  
**Assam Gas Company Ltd.**  
**Duliajan**

**DIN-07285877**

Place : Guwahati (camp)  
Dated : 25th July 2017

  
**Company Secretary**  
**Assam Gas Company Ltd**

  
**Director**  
**Assam Gas Co. Ltd.**  
**Duliajan**  
**DIN-07845004**

**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**2016-17**

**Statement of Cash Flow**

**For the year  
2016-17**

**For the year  
2015-16**

**I. CASH FLOW FROM "OPERATING ACTIVITIES"**

a)	Net Profit before Tax	105 66 38 520	102 43 34 187
b)	Adjustments for:		
i)	Depreciation	6 04 90 048	5 80 04 103
ii)	Interest on Loans	(5 24 58 907 )	( 56 57 923 )
iii)	Misc. Expenditure	6 44 706	5 17 069
iv)	Interest on Fixed Deposit	(24 57 03 657 )	(27 19 95 536 )
v)	Dividend received	(1 45 01 000 )	(93 83 000 )
	<b>Operating Profit before working capital changes</b>	<b>805109710</b>	<b>79 58 18 900</b>
c)	Working capital changes:		
i)	Increase in inventories	(3 12 57 005 )	1 58 98 125
ii)	Decrease in Trade Receivables(Fin. Assets)	8 04 44 719	(16 67 49 480 )
iii)	Increase in Short Term Loans & Advances(Fin. Asset)	(5 54 59 084 )	(21 50 75 145 )
iv)	Decrease in other Current Liabilities	29 36 502	7 72 24 376
v)	Decrease in Trade payable(Financial Liabilities)	(5 01 44 393 )	27 22 670
	<b>Cash generated from operations</b>	<b>751630449</b>	<b>50 98 39 446</b>
Less :	Income Tax Payment	(306722072)	(33 87 66 709 )
	<b>Cash Flow before extra ordinary items</b>	<b>444908377</b>	<b>17 10 72 737</b>
Add :	Earlier year adjustment	9 79 220	( 1 44 642 )
	<b>Net Cash from operating activities</b>	<b>443929157</b>	<b>17 12 17 379</b>

**II. CASH FLOW FROM "INVESTING ACTIVITIES"**

i)	Purchase of Fixed Assets	(6 42 64 391 )	(12 90 44 950 )
ii)	Sale of Asset	9 11 447	
iii)	Fixed Deposits	(96 99 12 243 )	(9 65 88 657 )
iv)	Dividend received	1 45 01 000	93 83 000
v)	Interest received on Fixed Deposits	23 13 94 899	30 56 36 175
vi)	Misc. Exp - VRS Payments	( 6 38 186 )	
	<b>Net Cash used in investing activities</b>	<b>(78 80 07 474 )</b>	<b>8 93 85 568</b>

**III. CASH FLOW FROM "FINANCING ACTIVITIES"**

i)	Increase in Non Current other financial liabilities	1 13 56 560	14 27 06 926
ii)	Interest on Loans	5 24 58 907	56 57 923
iii)	Dividend & Tax paid	(1 84 47 724 )	(1 92 04 397 )
iv)	Decrease in Current other Financial Liabilities	(1 07 32 500 )	48 77 875
v)	Decrease in Financial Asset	29 98 69 988	(40 79 34 434 )
vi)	Decrease in Current Liabilities provisions	( 10 86 008 )	42 44 293
vii)	Increase in provisions	1 53 355	(1 61 88 339 )

**Net Cash used in financing activities**

**33 35 72 578 (28 58 40 153 )**

**Net Increase in Cash & Cash equivalents**

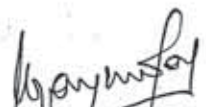
**(1 05 05 738 ) (2 52 37 206 )**


**Cash & Cash equivalents at the beginning of the year**

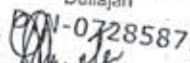
**4 05 74 546 6 58 11 752**

**Cash & Cash equivalents at the end of the year**

**3 00 68 808 4 05 74 546**

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
O Dullajan

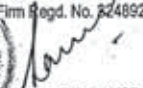
  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan

  
DIN-07285877  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004

In terms of our report of even date attached to herewith

For S K Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 824892E

  
(CA PRADIP BAKSI)  
Partner  
(Membership No. 054264)

Place : Guwahati (camp)  
Dated : 25th July 2017



**CORPORATE INFORMATION &  
SIGNIFICANT ACCOUNTING POLICIES**

**1. Corporate Information**

Assam Gas Company Limited, a Government of Assam Undertaking - fully owned and controlled by the Government of Assam through Equity participation, is a public limited company incorporated in India under the provisions of the Companies Act, 1956, with its Registered Office situated at Duliajan (Post Office), Dibrugarh District.

The Financial Statements for the year ended on 31<sup>st</sup> March 2017 were authorized for issue in accordance with the resolution of the Board of Directors on .....

**2. Significant Accounting Policies**

**2.1 (i) Convention**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

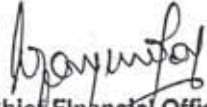
These Financial Statements for the year ended on 31<sup>st</sup> March 2017 are the first time adoption that the company has prepared in accordance with Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in note no. 3

The financial statements are prepared under the historical cost convention and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), including Accounting Standards notified under relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy. Revenues are generally recognized on accrual system of accounting except where otherwise stated.

**(ii) Change in Accounting Policy**

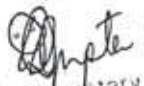
1. The method of keeping the accumulated surplus under the "Profit & Loss Account" under "Other Equity (Liabilities)" in the Balance Sheet has been changed to the following method with effect from the year 2016-17
  - a. Opening of a separate account for "General Reserves" under "Other Equity (Liabilities)" in the Balance Sheet for keeping the surplus of the accumulated funds.
  - b. Keeping a maximum balance of Rs.5 00 000.00 in the "Profit & Loss Account" under "Other Equity (Liabilities)" in the Balance Sheet for every year.
  - c. Transferring the surplus accumulated fund in the "Profit & Loss Account" to "General Reserve Account" both under "Other Equity (Liabilities)" in the Balance Sheet.
2. **Impairment of Assets :**

In accordance with Ind AS-36, an asset is treated as "impaired" when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Statement in the year in which an asset is identified and impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimates of recoverable amount.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Company Secretary  
Assam Gas Company, Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



3. Treatment of Additional Security Deposits from Domestic consumers :

In case of Domestic consumers, Additional Security deposits received against installation of new connections have been disclosed under "Security Deposits from Domestic Consumers" under "Non current Financial Liabilities" (Other Financial Liabilities) with the total amount received without adjusting such additional deposits against the cost of Installation as practiced earlier.

(iii) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

(iv) Tangible Assets

i) Fixed Assets are stated at their original cost inclusive of freight, duties, taxes and other incidental expenses related to acquisition and any other cost attributable to bringing the same to their working condition.

ii) In the case of commissioned assets where final payment to the contractor is pending, capitalization is made on provisional basis subject to necessary adjustment in cost and depreciation in the year of settlement.

iii) Borrowing cost attributable to construction of Capital Assets is capitalised till the date of commencement of commercial use of the assets. Other borrowing costs are recognised as expense.

iv) Capital cost recovered from consumers, are credited to Capital Reserve and the Fixed Assets are valued at cost.

(v) Accounting of Work In Progress

i) Cost of Right - of - way (ROW) of land for laying pipelines is capitalized as capital work-in-progress.

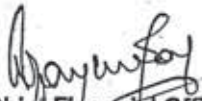
ii) Crop and other compensation paid are accounted for under capital work-in-progress on the basis of actual payments as and when work commences where ROW is acquired.

iii) Capital work-in-progress includes value of materials received at site for use in the projects.

iv) Expenditure on job work and contracts are accounted for based on bills recommended/ jobs certified and approved by appropriate authority. Amounts deducted for delayed supplies/ delayed completion of works etc., if any, is accounted for on crystallization of such amounts.

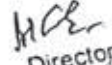
(vi) Depreciation

a. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in cases where useful life is different than those prescribed in Schedule II are used.


  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
MANAGING DIRECTOR  
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Dullajan

DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004



  
Company Secretary  
Assam Gas Company Ltd.

- b. Tools and Plants issued and utilised are charged off in the year of issue.
- c. No depreciation is provided on Capital Work-in-Progress.

(vii) Investments

- a. Non Current Investments are valued at cost. However, provision for diminution in value is made to recognize a decline in the value, other than temporary.
- b. Current Investments are valued at lower of cost or fair value.

(viii) Stock of Stores

- a. Stock of Stores are valued at cost and are determined from Stores Price Ledger.
- b. Stores Price Ledger is reconciled with physical balances of Stores. Difference if any, below Rs. 5 000/- is to be adjusted in account and is to be written off as per policy. Difference if any, of Rs.5 000/- and above is adjusted in accounts after proper investigation.
- c. Stock of spares, with individual value of more than Rs.5.00 lakhs, that are specific to a property, Plant & Equipments and with a useful life of more than one year shall be treated as PPE and depreciated from the date they are ready to use over the useful life of the spare part.

(ix) Trade Receivables

Provision for bad and doubtful debts on Trade receivable have been made at the rate of 2% on the "Revenue from operations" (Profit & Loss Account).

(x) Statement of Profit & Loss

- i) Gas Sale Price is determined on the basis of Gas Cost Price inclusive of marketing margin at the rate approved and notified by Central Government. Besides this, no additional cost is marked up on the cost price.
- ii) In case of Gas Sales, invoices / bills are raised and accounted for in the same year on the basis of provisional rates / prices which are subject to confirmation by the producers of gas and / or Central Government. Revised bills raised due to change in the prices effected by the producers and / or Central Government are accounted for in the year in which such intimation is received by the Company.
- iii) In case of Gas purchases, invoices / bills raised by supplier of Natural Gas are accounted for in the same year on the basis of provisional rates / prices. Revised bills, if any, raised by suppliers due to change in the prices effected by the producers and / or Central Government are accounted for in the year in which such intimation is received.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
Director  
Assam Gas Co. Ltd.  
Dullajan

  
MANAGING DIRECTOR  
Assam Gas Co. Ltd.  
DIN-07285877



  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004



- iii) Interest on staff-loan is accounted for on cash basis. However, Interest on delayed payment from the consumers, have been accounted for on accrual basis.
- iv) The only component of the Deferred Tax Liability is on the tax effect of timing differences on depreciation has been considered.
- vii) VRS payments made have been accounted for by way of charging to Statement of Profit and Loss an amount equal to 1/5<sup>th</sup> of such payments and the balance are charged to Miscellaneous expenditure (Asset) to be written off over next four succeeding years.
- viii) Gratuity has been accounted for on the basis of actuarial valuation. Employees Leave Encashment benefits, has been accounted for on the basis of actual payments made during the year.
- ix) Adjustments for Income Tax provision, Advance Tax paid and Tax Deducted at Source are made for the excess or short provision made and deductions not admitted and refunds made by the department, on the basis of the latest available Annual Return filed or the Assessment Orders received.
- x) Sales Tax – VAT on Gas sales and Service Tax on TC are paid on the basis of the sales invoices (including Debit Notes and Credit Notes) actually raised during each month and are realized from the consumers subsequently. Annual and monthly Returns of VAT and Service Tax are also filed on the basis of the Sales Invoices raised during each month and difference between the Ledger balance and the actual payments are reconciled at the end of the year.

(xi) Financial Instruments

(a) Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables. All financial liabilities except for Deposits from Customer which are maturing within one year from the Balance Sheet date are initially measured at transaction price as the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Subsequent Recognition

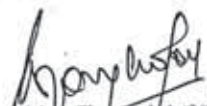
Financial assets and liabilities are subsequently carried at amortized cost except for Deposits from Customer which is measured at fair value through profit or loss.

(c) Fair Value of Financial Instruments

Fair value measurements of financial assets and liabilities are made using variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The income approach has been adopted wherever valuation techniques are required to be applied on financial assets and liabilities.


(xi) Dividends


Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



No.

3 Transition to Ind AS

As per Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment; investment property and intangibles exemption:

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, investment properties and intangibles as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

Derecognition of financial assets and financial liabilities:

The Corporation has opted the exemption for Derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

Classification and measurement of financial assets


Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

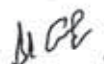
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
PO Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877




  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

II. Reconciliation of Balance sheet as at March 31, 2016

(Amount in Rupees)

Particulars	As at 31-Mar-2016 IGAAP	Measurement Ind AS	As at 31-Mar-2016 Ind AS
<b>A ASSETS</b>			
1) Non-current assets			
(a) Property, Plant & Equipments			
(i) Tangible assets			
a. Gross Block	127 64 25 090	54 15 038	128 18 40 128
b. Less: Depreciation	58,004,103	-	58,004,103
c. Net Block	121 64 20 987	54 15 038	122 38 36 025
d. Revalued Fixed Assets			
	121 64 20 987	54 15 038	122 38 36 025
(b) Capital Work in progress	5 61 75 927	-	5 61 75 927
(c) Non-current investments	86 30 00 000	-	86 30 00 000
(d) Financial Assets	40 89 85 315	-	40 89 85 315
(e) Other non-current assets	13 13 428	-	13 13 428
	133 14 74 670		133 14 74 670
2) Current assets			
(a) Inventories	14 48 87 301	-	14 48 87 301
(b) Financial Assets			
- Trade receivables	100 46 67 681	-	100 46 67 681
- Cash and cash equivalents	299 61 79 566	-	299 61 79 566
- Short-term loans and advances	70 76 89 992	-	70 76 89 992
(c) Other current assets	10 44 41 500	-	10 44 41 500
	495 78 66 040		495 78 66 040
	750 77 61 697	54 15 038	751 31 76 735
<b>B EQUITY AND LIABILITIES</b>			
1. Equity			
a. Equity Share Capital	16 91 44 900		16 91 44 900
b. Other Equity	592 49 79 837	1 86 41 385	594 36 21 222
	609 41 24 737	1 86 41 385	611 27 66 122
2. Liabilities			
a. Non Current Liabilities			
Financial Liabilities			
- Borrowings			
- Other Financial Liabilities	49 38 43 247	80 91 562	50 19 34 809
Deferred tax liability (net)	6 54 66 003	1 11 111	6 55 77 114
Other long term liabilities			
Provisions	17 11 661		17 11 661
	56 10 20 911	82 02 673	56 92 23 584
3. Current Liabilities			
a. Financial Liabilities			
- Trade payables	27 24 36 333		27 24 36 333
- Other Financial Liabilities	3 96 13 376	( 29 72 676 )	3 66 40 700
b. Other current liabilities	16 40 68 440		16 40 68 440
c. Provisions	37 64 97 900	( 1 84 56 343 )	35 80 41 557
	85 26 16 049	( 2 14 29 019 )	83 11 87 030
	750 77 61 697	54 15 038	751 31 76 735

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
D. N. 07285377

  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004

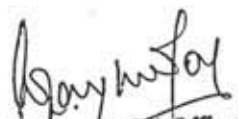




III Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017: (Amount in Rupees)


Particulars	Year Ended 31-Mar-2016 IGAAP	Measurement Ind AS	Year Ended 31-Mar-2016 Ind AS
I. Revenue from operations	279 35 64 445	21 44 161	279 57 08 606
II. Other income	39 81 53 283		39 81 53 283
III. Total Revenue ( I + II)	319 17 17 728	21 44 161	319 38 61 889
IV. Expenses:			
Purchases of stock in trade	146 47 00 131		146 47 00 131
Employee benefit expenses	40 49 87 894		40 49 87 894
Finance costs	1 05 32 957	17 56 040	1 22 88 997
Depreciation and amortization	5 79 12 135	91 968	5 80 04 103
Other expenses	22 95 46 577		22 95 46 577
Total expenses	216 76 79 694	18 48 008	216 95 27 702
V. Profit before exceptional and extraordinary items and tax ( III - IV)	102 40 38 034	2 96 153	102 43 34 187
VI. Exceptional Items			
VII. Profit before extraordinary items and tax ( V - VI)	102 40 38 034	2 96 153	102 43 34 187
VIII. Prior period & Extraordinary Items	( 1 44 642 )		( 1 44 642 )
IX. Profit before tax ( VII - VIII)	102 41 82 676	2 96 153	102 44 78 829
X. Tax expenses			
1) Current tax	34 28 88 843	( 8 619 )	34 28 80 224
2) Deferred tax	81 25 658	1 11 111	82 36 769
	35 10 14 501	1 02 492	35 11 16 993
XI. Profit for the period from continuing operations ( IX - X)	67 31 68 175	1 93 661	67 33 61 836

(continued)

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



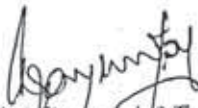
  
Company Secretary  
Assam Gas Co. Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016 (continued)

Particulars	Year Ended 31-03-2016 IGAAP	Measurement Ind AS	Year Ended 31-03-2016 Ind AS
XII. Profit from discontinuing operations	0	0	0
XIII. Tax expenses of discontinuing operations	0	0	0
XIV. Profit from Discontinuing operations (after tax) (XII - XIII)	0	0	0
XV. Profit for the period (XI + XIV)	67 31 68 175	1 93 661	67 33 61 836
XVI. Other Comprehensive Income	0	0	0
A (i) Items that will not be reclassified to profit or loss	0	0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	0
B (i) Items that will be reclassified to profit or loss	0	0	0
(ii) Income tax relating to items that will be reclassified to profit or loss	0	0	0
XVII. Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	67 31 68 175	1 93 661	67 33 61 836
XVIII. Earnings per equity share (for continuing operations)			
(1) Basic	398		398
(2) Diluted	398		398
Earnings per equity share (for discontinued operations)			
(1) Basic			
(2) Diluted			
Earnings per equity share (for continuing & discontinued operations)			
(1) Basic	398		398
(2) Diluted	398		398

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

IV. The Company does not have a significant impact on the Cash flow statement as on 31 March 2016.

V. Reconciliation of Equity as on 31 March 2016 and 1 April 2015 (Amount in Rupees)

Particulars	Note Ref	March 31, 2016	April 1, 2015
Net worth as per Previous GAAP		609 41 24 737	536 41 28 912
Reversal of Proposed Dividend	A	1 84 47 724	1 92 04 397
Fair valuation of deposits	B	3 04 772	
Deferred tax	C	( 1 11 111 )	
Net worth as per Ind AS		611 27 66 122	538 33 33 309

Notes to reconciliations:-

A. Proposed Dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as a liability in the period in which they relate, as these are considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. usually when approved by shareholders in an annual general meeting.

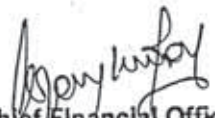
Accordingly, the liability for proposed dividend including dividend distribution tax as at 1 April 2015 and 31 March 2016 of Rs.1 92 04 397.00 and Rs.1 84 47 724.00 respectively included under the provisions has been reversed with corresponding adjustments to retained earnings.

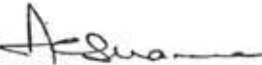
B. Fair valuation of Deposits

The Company has received an interest free security deposits of Rs.2 43 68 710.00 (accumulated as on 31st March 2015) and Rs. 3 21 93 710.00 (accumulated as on 31st March 2016) from Tea Gardens under Gas Transportation Agreement which is to be returned after the agreement period which is normally for 5 years. Under Ind AS, this deposit has been measured at fair value on initial recognition with the corresponding impact on additional transportation charges

C. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07235377



  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07842004

ASSAM GAS COMPANY LTD.  
DULLAJAN, ASSAM

NOTE 4.1: Property, Plant &amp; Equipments

(2015-16)

PARTICULARS	GROSS BLOCK			DEPRECIATION (SLM)			NET BLOCK on SLM / WDV	
	COST AS AT 01-04-15	ADDITION FOR THE YEAR	ADJUSTMENT (discarded)	COST AS AT 31/03/2016	UP TO 01-04-15	FOR THE YEAR	Adjustment to Assets (during year)	TOTAL (under SLM)
A. Land	2 10 00 934	2 85 383	0	2 12 90 317	0	0	0	2 12 90 317
B. Residential & Factory Building	6 79 94 154	1 04 62 558	0	7 84 56 712	0	43 72 593	0	43 72 593
C. Pipe Lines & Plant & Machinery	105 22 40 489	7 99 14 497	0	113 21 54 986	0	4 73 36 190	0	47 33 61 90
D. Office Equipment	15 60 544	1 47 940	0	17 08 484	0	5 61 214	0	5 61 214
E. Hospital Equipments	1 10 295	0	0	1 10 295	0	7 307	0	7 307
F. Miscellaneous Fixed Assets	2 40 862	0	0	2 40 862	0	65 422	0	65 422
G. Electrical Installation	17 12 989	1 24 94 779	0	1 42 07 768	0	14 49 865	0	14 49 865
H. Roads, Drains and Water Works	58 15 753	41 82 065	0	99 97 818	0	17 93 164	0	17 93 164
I. Furniture & Fixture	26 95 569	8 90 860	0	35 86 529	0	4 38 033	0	4 38 033
J. Motor Vehicles	50 82 806	1 16 09 570	0	1 66 92 376	0	13 49 560	0	13 49 560
K. E.D.P System	20 50 976	3 60 355	0	24 11 331	0	4 97 738	0	4 97 738
L. Communication System	9 82 650	0	0	9 82 650	0	1 33 017	0	1 33 017
Total	116 14 88 021	12 03 52 107	0	128 18 40 128	0	5 80 04 103	0	5 80 04 103
								122 38 36 025
								108 52 12 647

*Aganwala*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Dullajan

*Assam*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan

*ACE*  
Director  
Assam Gas Co. Ltd.  
Du. Dullajan

*Assam*  
Company Secretary  
Assam Gas Company Ltd.





ASSAM GAS COMPANY LTD.  
DULUJAN, ASSAM

NOTE 4 (continued) : Property, Plant & Equipments (2016-17)

GROSS BLOCK					DEPRECIATION				NET BLOCK (on SLM / WDV)	
PARTICULARS	COST AS AT 01-04-16	ADDITION FOR THE YEAR	ADJUST- MENTS (discard)	COST AS AT 31-04-17	UP TO 01-04-16	FOR THE YEAR	Adjustment to Assets (during year)	TOTAL AT 31-03-17	AS AT 31-03-17	AS AT 31-03-16
A. Land	2 12 90 317	0	0	2 12 90 317	0	0	0	2 12 90 317	2 12 90 317	2 12 90 317
B. Residential & Factory Building	7 84 56 712	35 10 736	0	8 19 67 448	43 72 593	44 46 386	0	88 18 979	7 31 48 669	7 40 84 119
C. Pipn Lines & Plant & Machinery	113 21 54 986	5 83 73 833	0	119 05 28 819	4 73 36 190	4 93 20 591	0	9 66 56 781	109 38 72 038	108 48 18 796
D. Office Equipment	17 08 484	4 24 709		21 33 193	5 61 214	4 84 417	0	10 45 631	10 87 562	11 47 779
E. Hospital Equipments	1 10 295	0	0	1 10 295	7 307	7 287	0	14 594	95 701	1 02 986
F. Miscellaneous Fixed Assets	2 49 852	1 58 189	0	3 99 051	65 422	20 246	0	85 668	3 13 383	1 75 440
G. Electrical Installation	1 42 01 768	8 13 277	0	1 50 21 045	14 49 865	13 65 678	0	28 15 543	1 22 05 502	1 27 57 903
H. Roads, Drains and Water Works	99 97 818	5 06 063	0	1 05 03 881	17 93 164	19 63 012	0	37 56 176	67 47 705	82 04 654
I. Furniture & Fixture	35 86 529	3 86 386	0	39 72 915	4 38 033	4 52 780	0	8 90 813	30 82 102	31 48 696
J. Motor Vehicles	1 66 92 376	0	(13 74 264)	1 53 18 112	13 49 560	20 95 344	(5 64 740)	28 80 164	1 24 37 948	1 53 42 816
K. E.D.P. System	24 11 331	15 80 610	0	39 91 941	-4 97 738	7 52 486	0	12 50 224	27 41 717	19 13 593
L. Communication System	9 82 650	5 12 895	0	14 95 545	1 33 017	1 46 561	0	2 79 578	12 15 967	8 49 633
Total	128 18 49 128	6 62 66 698	(13 74 264)	134 87 32 562	5 80 04 103	6 10 54 788	(5 64 740)	11 84 94 151	122 82 38 411	122 38 36 025
Previous Year's Figures	116 14 88 021	12 03 52 107	0	128 18 40 128	0	5 80 04 103	0	5 80 04 103	122 38 36 025	108 62 12 847



*Signature*

*Signature*  
MANAGING DIRECTOR  
Assam Gas Co. Ltd.

Director  
Assam Gas Co. Ltd.


DIN-02857777-17-01-01037045004

*Signature*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
B.O. Dulujan

**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>5 CAPITAL WORK - IN - PROGRESS</b>			
NEEPCO Kathaguri Project			
Pipeline H.D.P.E.	3 82 15 371	4 14 47 750	4 45 31 259
CNG/LNG Project	34 74 857	33 36 328	1 67 890
Scada	1 34 98 809	1 19 44 449	37 07 785
Power Project	14 47 400	14 47 400	10 76 150
	<b>5 66 36 437</b>	<b>5 81 75 927</b>	<b>4 94 83 084</b>
<b>6 NON CURRENT INVESTMENTS</b>			
Total Investment valued at cost ( unless stated otherwise )			
Equity contribution in Tripura Natural Gas Co. Ltd. ( unquoted ) (100000 equity shares @ Rs.100 each fully paid)	1 00 00 000	1 00 00 000	1 00 00 000
Investment in Subsidiary Company Equity Contribution in DNP Limited (85300000 equity shares @ Rs.10 each fully paid)	85 30 00 000	85 30 00 000	85 30 00 000
Other Investments	0	0	0
	<b>86 30 00 000</b>	<b>86 30 00 000</b>	<b>86 30 00 000</b>
AGCL hold 26% Equity Shares in Tripura Natural Gas Co. Limited. DNP Limited is a subsidiary company, AGCL holding 51% shares.			
<b>7 Financial Assets</b>			
<b>A. Loans</b>			
Loans to Related Party :			
- Loan to DNP Limited	10 80 00 000	40 80 00 000	0
<b>B. Other Financial Assets</b>			
AGCL Gratuity Trust Account	1 000	1 000	1 000
Security Deposit	11 69 699	11 69 699	11 00 225
Assam Entry tax	( 55 372 )	( 1 85 384 )	( 50 344 )
	<b>10 91 15 327</b>	<b>40 89 65 315</b>	<b>10 50 881</b>
<b>8 OTHER NON-CURRENT ASSETS</b>			
Misc. Expenditure ( to the extent not written off)			
VRS Payments - Accumulated balance	13 13 428	18 30 497	9 51 107
Add : Paid during the year	6 38 186		13 96 459
	<b>19 51 614</b>	<b>18 30 497</b>	<b>23 47 566</b>
Less : Adjusted during the year	6 44 706	5 17 069	5 17 069
	<b>13 06 908</b>	<b>13 13 428</b>	<b>18 30 497</b>

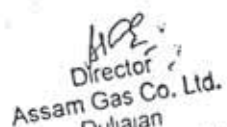
  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285877



  
Director  
Assam Gas Co. Ltd.  
Duliajan

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>9 INVENTORIES</b>			
<i>(As taken, valued and certified by the Management at cost)</i>			
Stock of Stores and Spares	9 90 73 688	11 17 31 471	12 21 73 792
Stock of Stores( Project)	5 88 75 243	1 68 42 754	1 91 90 186
Stock with Instrument Deptt. & Crisis Mgmt.com.	38 77 035	24 79 277	52 79 518
Stock of Medical Stores	20 95 807	3 21 919	2 67 406
Stock of Stores at Site Office	1 22 22 533	1 35 11 880	1 38 74 524
	<b>17 61 44 306</b>	<b>14 48 87 301</b>	<b>16 07 85 426</b>
<b>10 FINANCIAL ASSETS - TRADE RECEIVABLES</b>			
<i>(Unsecured and considered good)</i>			
Brahmaputra Valley Fertiliser Corp. Ltd.	3 97 14 117	7 68 33 199	11 11 34 911
Assam State Electricity Board, Namrup	3 01 50 673	15 90 77 489	8 61 81 917
Assam State Electricity Board, Malbela	40 38 37 114	27 02 90 502	18 96 34 126
Assam Petro Chemicals Ltd.	20 87 542	21 15 973	20 53 502
Sonari area T E	1 24 65 821	1 91 96 270	1 14 17 673
NEEPCO	1 38 97 179	61 25 830	90 47 678
Oil India Limited, Duliajan	7 42 197	4 95 014	2 59 189
Domestic Consumers Receivable	10 01 08 020	10 29 70 585	10 44 73 117
Moran Plantation line	99 50 995	1 23 76 914	23 45 024
Naharkatia/Duliajan Area gardens	71 68 973	1 44 00 921	1 55 75 620
Dibrugarh area T.E.	1 88 03 876	2 87 13 937	2 10 61 645
Doomdooma area T.E.	1 77 40 299	2 97 14 697	2 95 80 164
Margherita Tea Gas Grid	69 66 147	1 30 33 748	1 90 45 011
Tinsukia Tea Gas Grid	1 67 83 418	2 74 50 027	4 66 12 894
Jorhat-Golaghat Line T.E.	2 15 61 017	2 05 51 755	1 94 73 940
ASEB NRPP	3 14 257	3 14 257	59 99 581
Suspense a/c	( 29 21 390 )	( 22 04 724 )	( 3 65 706 )
	<b>69 93 70 255</b>	<b>78 14 56 395</b>	<b>67 35 30 286</b>
<i>(Unsecured and considered doubtful)</i>			
ASEB Namrup	0	0	63 77 935
Tea Gardens (Under Court Case)	7 74 97 447	7 58 56 026	53 28 646
DLF Project ( EIP Limited)	20 32 26 549	20 32 26 549	20 32 26 549
	<b>28 07 23 996</b>	<b>27 90 82 575</b>	<b>21 49 33 130</b>
	<b>98 00 94 251</b>	<b>106 05 38 970</b>	<b>88 84 63 416</b>
Less : Provision for Bad and doubtful debts	5 58 71 289	5 58 71 289	5 05 45 215
	<b>92 42 22 962</b>	<b>100 46 67 681</b>	<b>83 79 18 201</b>
<b>Sundry debtors - Age Analysis</b>			
Less than six months	28 29 05 162	47 67 88 015	53 64 96 938
More than six months	69 71 89 089	58 37 50 955	69 71 89 089
	<b>98 00 94 251</b>	<b>106 05 38 970</b>	<b>88 84 63 416</b>

*[Signature]*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



*[Signature]*  
ASSAM GAS COMPANY LTD.

*[Signature]*  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

NOTES ON ACCOUNTS -2016-17 (continued)

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>11 FINANCIAL ASSETS - CASH &amp; CASH EQUIVALENTS</b>			
a) Cash in hand:			
With Head Office, Duliajan	1 64 360	4 99 263	7 87 186
With Officials (Imprest)	2 14 047	2 30 881	1 84 933
Cash at Guwahati Office	74 947	1 489	1 196
Cash at Silchar Office	6 017	39 422	12 913
	<u>4 59 071</u>	<u>7 71 055</u>	<u>9 86 228</u>
b) Balances with Banks:			
State Bank of India, Mathurapur	81 365	97 997	98 627
State Bank of India, Moran	4 97 163	8 35 146	7 92 650
State Bank of India, Nazira	96 671	1 04 477	3 99 026
State Bank of India, Duliajan, A/C No. 124 (Gen)	25 94 992	14 33 872	2 22 432
State Bank of India, Sibsagar	3 75 462	2 35 651	12 56 152
State Bank of India, Dibrugarh	2 39 270	8 70 821	23 69 372
State Bank of India, Digboi	3 28 229	6 96 779	31 62 931
State Bank of India, Gargaon	75 946	1 02 848	29 04 320
State Bank of India, Silchar	19 969	10 216	4 893
State Bank of India, Tinsukia	8 96 469	10 15 083	5 30 163
State Bank of India, Duliajan (Dividend A/C)	176	1 671	4 576
State Bank of India, Duliajan (Domestic bills A/C)	16 619	0	0
United Bank of India, Duliajan	3 08 957	18 709	45 41 413
United Bank of India, Chawkidighi, Dibrugarh	1 19 824	7 16 919	1 33 351
United Bank of India, Digboi	3 05 496	12 57 841	66 75 265
United Bank of India, Naharkatia	21 42 998	3 72 639	3 06 727
United Bank of India, Ledo	69 559	3 55 790	4 61 304
UCO Bank, Sibsagar	9 17 493	3 63 194	72 05 127
UCO Bank, Duliajan (Lien A/C)	85 484	3 50 165	6 74 548
Assam Co-Op Apex Bank Ltd. Duliajan (Non Schedule)	24 21 410	30 05 102	67 93 842
Allahabad Bank, Duliajan	1 09 70 824	1 72 34 819	9 13 283
Allahabad Bank, Dibrugarh (47)	6 84 581	30 27 681	14 89 172
Allahabad Bank, Sibsagar	4 87 334	20 64 427	28 93 333
Allahabad Bank, Tinsukia	6 63 653	16 16 323	84 55 027
Punjab National Bank, R.G.Baruah Rd, Guwahati	22 657	3 716	1 99 281
Canara Bank, Duliajan	1 54 624	27 679	5 09 242
Canara Bank, Titabar	3 86 124	14 891	0
Indian Bank, Dibrugarh	22 16 840	1 69 723	12 83 825
Vijaya Bank, Jorhat	5 15 011	12 63 258	41 86 852
Axis Bank, Duliajan	9 14 091	0	0
Central Bank of India, Margherita	10 00 446	25 36 054	63 58 790
	<u>2 96 09 737</u>	<u>3 98 03 491</u>	<u>6 48 25 524</u>
Balances with banks in Deposit accounts:			
Fixed Deposit With Scheduled Banks	391 26 00 749	294 35 68 359	284 78 43 509
Fixed Deposit With Non Scheduled Banks	1 29 16 514	1 20 36 661	1 11 72 854
	<u>392 55 17 263</u>	<u>295 56 05 020</u>	<u>285 90 16 363</u>
	<u>395 55 86 071</u>	<u>299 61 79 566</u>	<u>292 48 28 115</u>

*[Signature]*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



*[Signature]*  
Director  
Assam Gas Co. Ltd.  
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*[Signature]*  
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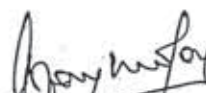
**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**


No.	AS AT - 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>12 FINANCIAL ASSETS - SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured, considered good unless otherwise stated)			
a) Advances to related parties :			
DNP Limited ( Current maturity of long term loan)	27 00 00 000	23 99 86 049	0
DNP Limited ( short term advance)	1 58 06 945	54 20 917	3 08 73 652
	28 58 06 945	24 54 06 966	3 08 73 652
b) Loans & advances to employees			
Advance to staff	2 58 22 956	2 49 39 599	2 77 02 091
	2 58 22 956	2 49 39 599	2 77 02 091
c) Prepaid expenses			
Pre-paid Insurance Premium	77 24 230	76 64 658	74 91 875
	77 24 230	76 64 658	74 91 875
d) Balance With Government Authorities			
Advance Income Tax	32 38 35 536	36 58 73 654	32 45 63 113
Tax deducted at source	5 75 15 303	5 30 41 097	5 03 29 823
Fringe Benefit Tax - Advance	14 89 298	14 89 298	14 89 298
Service Tax on Advances	55 28 100	48 79 243	22 43 714
CEN VAT (Service Tax)	68 28 714	36 92 551	34 50 352
	39 51 96 951	42 89 75 843	38 20 76 300
e) Other advances			
Advance to Contractors & Suppliers	58 88 747	1 44 297	26 42 759
(Less than 1 year - Rs. 57 44 450)			
(More than 1 year Less than 3 years - Rs. 1,44,297)			
AGC Staff Recreation Centre	50 000	43 000	65 000
AGCL Executive Club	88 500	63 000	0
AGCL Sarbajanin Namghar	80 000	0	0
Receivable from OIL	4 52 629	4 52 629	4 52 629
	65 59 876	7 02 926	31 60 388
	72 11 10 958	70 76 89 992	45 13 04 306
Unsecured and considered good	72 11 10 958	70 76 89 992	45 13 04 306
Unsecured and doubtful of recovery	0	0	0
	72 11 10 958	70 76 89 992	45 13 04 306

**13 OTHER CURRENT ASSETS**


Interest accrued on Fixed Deposit	11 87 50 258	10 44 41 500	13 80 82 139
	11 87 50 258	10 44 41 500	13 80 82 139

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
Company Secretary  
Assam Gas Company Ltd.

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285811

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004





**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT- 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>14 EQUITY SHARE CAPITAL :</b>			
<b>AUTHORISED SHARE CAPITAL :</b>			
20,00,000 Equity Shares of Rs. 100/- each	20 00 00 000	20 00 00 000	20 00 00 000
<b>ISSUED, SUBSCRIBED, CALLED &amp; PAID-UP:</b>			
16,91,449 Equity shares of Rs. 100/- each, fully called and fully paid up	16 91 44 900	16 91 44 900	16 91 44 900
( 1691449 Equity Shares of Rs. 100/- each held by Govt. of Assam)	16 91 44 900	16 91 44 900	16 91 44 900

**a) Reconciliation of shares outstanding at the beginning and at the end of Reporting period:**

<u>Equity Shares</u>	31-03-2017	31-03-2016	01-04-2015
Face Value of the Equity Shares (each)	100	100	100
No of Shares outstanding at the beginning of the year	16 91 449	16 91 449	16 91 449
Amount of Shares outstanding at the beginning of the year	16 91 44 900	16 91 44 900	16 91 44 900
No of Shares issued during the year	0	0	0
Amount of Shares Issued during the year	0	0	0
No of Shares bought back during the year	0	0	0
Amount of Shares bought back during the year	0	0	0
No of Shares outstanding at the end of the year	16 91 449	16 91 449	16 91 449
Amount of Shares outstanding at the end of the year	16 91 44 900	16 91 44 900	16 91 44 900

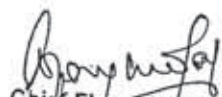
**b) Terms and rights attached to equity shares**

The Company has only class only one class of equity share par value of Rs. 100/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to approval by shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of Shareholders holding more than 5% shares in the Company**

<u>Name of Shareholder</u>	31-03-2017	31-03-2016	01-04-2015
<b>1. Governor of Assam</b>			
- No of Shares held	16 91 449	16 91 449	16 91 449
- Percentage of Shares held	100%	100%	100%

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
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Assam Gas Company, Ltd.  
Duliajan



DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Duliajan

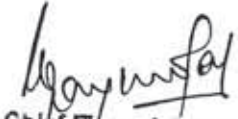
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**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**


**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>15 OTHER EQUITY</b>			
<i>Revaluation Reserves</i>			
Opening balance	38 87 252	38 87 252	46 03 580
Add: Amount transferred from P&L	0	0	0
Less: Adjustment during the year	0	0	7 16 328
Closing balance	38 87 252	38 87 252	38 87 252
<i>Capital Reserve</i>			
Opening balance	69 10 823	69 10 823	69 10 823
Add: Amount transferred from P&L	0	0	0
Less: Adjustment during the year	0	0	0
Closing balance	69 10 823	69 10 823	69 10 823
<i>General Reserve</i>			
Opening balance	0	0	0
Add: Amount transferred from P&L	660 13 57 880	0	0
Closing balance	660 13 57 880	0	0
<i>Profit &amp; Loss A/C</i>			
Opening balance	593 28 23 147	527 86 65 708	407 57 40 527
Add: Depreciation written back due to change to SLM	0	0	60 78 09 112
Add: Amount transferred from P&L	68 74 82 457	67 33 61 836	59 53 33 734
Amount adjusted from others (Dividend Tax 2013-14)	0	0	(2 17 665)
Amount available for appropriation	662 03 05 604	595 20 27 544	527 86 65 708
<i>Appropriations:</i>			
Dividend	1 69 14 490	1 69 14 490	0
Dividend Tax	15 33 234	22 89 907	0
Transfer to General Reserve account	660 13 57 880	0	0
Closing balance	5 00 000	593 28 23 147	527 86 65 708
	<b>661 26 55 955</b>	<b>594 36 21 222</b>	<b>528 94 63 783</b>
<b>16 FINANCIAL LIABILITIES - BORROWINGS</b>			
Long term Loans	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>

  
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ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).


NOTES ON ACCOUNTS -2016-17 (continued)

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>17 FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES</b>			
<b>NON CURRENT FINANCIAL LIABILITIES</b>			
(i) <u>Security Deposit From Domestic Consumers</u>			
Duliajan Gas Grid	88 07 630	83 46 350	77 02 850
Sibsagar Gas Grid	67 88 026	66 51 526	63 64 526
Moran Gas Grid	41 86 500	41 26 000	39 72 700
Nazira/Simaluguri Gas Grid	34 04 300	33 38 800	32 61 800
Digboi Gas Grid	35 43 240	34 42 240	33 38 190
Dibrugarh Gas Grid	1 40 13 156	1 29 92 031	1 19 92 727
Naharkatia Domestic Grid	11 21 000	11 06 000	11 04 500
Margerita Domestic Grid	26 50 320	25 54 880	23 47 700
Jorhat Domestic Grid	29 34 300	24 87 800	19 04 000
Ledo Domestic Grid	5 09 200	4 94 200	3 77 880
Tinsukia Domestic Grid	94 17 623	85 95 973	80 64 840
Tilaber Domestic Grid	49 500	0	0
Domestic Consumers ( Materials cost)	1 65 90 000	1 09 20 472	77 08 834
	7 40 14 795	6 50 56 272	5 81 40 547
(ii) <u>SECURITY DEPOSIT FROM T.E. &amp; OTHERS:</u>			
Tea Estates/Gardens.	2 52 89 514	2 17 45 802	1 51 31 052
Duliajan College	1 000	1 000	1 000
	2 52 90 514	2 17 46 802	1 51 32 052
(iii) <u>ADDITIONAL DEPOSIT FROM T.E. AND OTHERS:</u>			
Tea Gardens	40 77 25 608	40 69 87 737	27 47 93 217
T.E. (Capital Cost)	5 25 000	5 25 000	5 25 000
Adv. For Transportation Charges (Non current)	57 35 452	76 18 998	73 90 126
	41 39 86 060	41 51 31 735	28 27 08 343
(iv) <u>Suspense Receivable</u>	0	0	32 46 941
	0	0	32 46 941
(A)	51 32 91 369	50 19 34 809	35 92 27 883
<b>CURRENT FINANCIAL LIABILITIES</b>			
Security Deposit from Contractors	1 43 20 985	1 79 09 723	1 31 47 489
Earnest Money	69 87 210	64 20 446	71 48 063
Advance against project - NRPP diversion (PWD Assam)	0	41 50 000	41 50 000
T.E. (Gas Meter)	20 00 001	57 19 741	54 69 741
Advance for Transportation Charges (current)	26 00 004	24 40 790	18 47 532
(B)	2 59 08 200	3 66 40 700	3 17 62 825
(A+B)	53 91 99 569	53 85 75 509	39 09 90 708

  
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P.O. Duliajan

  
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DIN-07285877

  
Director  
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DIN-07845004



**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
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**18 DEFERRED TAX LIABILITY (Net)**

As per Ind AS - 12 - "Accounting for Taxes on Income" the net tax liability recognised to the Statement of Profit & Loss during the year is Rs. 66 16 891.00 against the net tax liability of Rs.82 36 769.00 during the previous year i.e. 2015-16. The position of the Deferred Tax Liabilities and Assets at the end of the year are as under

Deferred Tax Liability			
Difference of Booked Depreciation and Tax Depreciation	7 21 94 005	6 55 77 114	5 73 40 345
Deferred Tax Assets	0	0	0
Net Deferred Tax Liability	7 21 94 005	6 55 77 114	5 73 40 345

**19 NON CURRENT LIABILITIES - PROVISIONS**

O L for Superannuation benefits of employees	18 65 016	17 11 661	1 79 00 000
	18 65 016	17 11 661	1 79 00 000

**20 FINANCIAL LIABILITIES - TRADE PAYABLES**

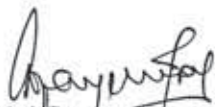
Oil India Ltd., Duliajan	6 19 05 342	10 52 63 375	7 40 44 366
ONGC, Sibsagar	16 03 86 598	16 71 72 958	19 56 69 297
	22 22 91 940	27 24 36 333	26 97 13 663

To the extent company has received intimation from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprise Development Act 2006, they are not covered under the aforesaid Act.

**21 OTHER CURRENT LIABILITIES**

**(I) STATUTORY LIABILITIES:**


Staff Professional Tax	84 324	86 149	85 401
Employees Income Tax deducted at source	44 60 536	93 22 787	36 29 672
Contractors' Income Tax	16 68 591	14 43 862	13 31 190
Salary Savings Scheme	11 08 923	10 95 576	9 98 670
Recurring Deposit (Staff)	30 500	30 500	26 000
Group Savings Link Insurance	1 50 218	72 681	70 841
Assam Sales Tax	69 702	69 702	69 702
Provident Fund Recovery	54 30 248	50 87 434	48 45 870
VAT (Value added tax)	8 68 313	6 01 082	7 16 300
VAT on Natural Gas	53 87 219	1 18 32 166	93 72 424
	1 94 58 574	2 96 42 139	2 11 46 070

  
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**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
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(OTHER CURRENT LIABILITIES - continued)

**(II) OTHER LIABILITY**


AGCL Staff Co-op. Society	3 29 917	3 41 108	3 45 806
AGCL Tea Canteen	79 573	42 460	41 156
AGCL Executive Club	68 194	29 265	36 337
AGCL Staff Recreation Centre	11 663	11 643	11 193
KWH Pipes (India) Ltd.	1 20 100	1 20 100	1 20 100
Outstanding Liabilities for expenses	14 69 36 921	13 38 81 725	6 51 43 402
	<b>14 75 46 368</b>	<b>13 44 26 301</b>	<b>6 56 97 994</b>

**(III) CURRENT MATURITIES OF LONG TERM LOAN**

0	0	0
0	0	0
<b>16 70 04 942</b>	<b>16 40 68 440</b>	<b>8 68 44 064</b>

**22 CURRENT LIABILITIES - PROVISIONS**

Provision for Income Tax/FBT	35 90 64 568	34 62 64 806	30 08 40 749
Provision of Service Tax on TC/GM Maint bills	1 06 90 743	1 17 76 751	75 32 458
	<b>36 97 55 311</b>	<b>35 80 41 557</b>	<b>30 83 73 207</b>

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

  
MANAGING DIRECTOR  
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Duliajan  
DIN-07285877



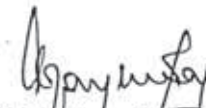
  
DIRECTOR  
Assam Gas Co. Ltd.  
Duliajan

  
DIRECTOR  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**

No.			AS AT	AS AT
			31-03-2017	31-03-2016
<b>23</b>	<b>REVENUE FROM OPERATIONS</b>			
a)	Gas Sales	176,684,509 SCM	113 67 53 648	176 41 15 934
	Less: VAT on Gas Sales		14 39 73 748	22 33 95 108
			99 27 79 900	154 07 20 826
b)	Operating Income(Transmission Charges)	1,433,597,358 SCM	140 37 08 364	143 08 02 328
	Less: Service Tax on TC		18 23 46 963	17 58 14 548
			122 13 61 401	125 49 87 780
			221 41 41 301	279 57 08 606
<b>24</b>	<b>OTHER INCOME</b>			
	Interest on Fixed Deposit		24 57 03 657	27 19 95 536
	Interest on Loan to DNP Limited		5 24 58 907	56 57 923
	Minimum Demand Charges ( Gas)		3 87 83 041	3 48 10 109
	Minimum Demand Charges ( TC)		8 83 74 533	4 70 58 439
	Interest on Delay payment		1 00 54 304	1 08 54 900
	Interest from Employees on Loan		10 75 280	14 09 271
	Dividend Income from Investment		1 45 01 000	93 83 000
	Sale of Materials		17 74 676	3 90 165
	Service charges		11 95 700	9 70 700
	Compensation Charges		20 35 450	5 23 918
	Guest House Charge realised		1 10 391	1 38 740
	House rent realised from employees		8 25 455	8 06 649
	Gas Charges realised from employees		88 842	88 470
	Miscellaneous receipts		1 59 32 465	1 37 50 807
	Income from works contracts		30 25 570	3 14 656
	House rent realised from OTHERS		15 90 922	0
	Profit on sale of assets		51 923	0
			47 75 82 116	39 81 53 283
<b>25</b>	<b>PURCHASES OF STOCK IN TRADE</b>			
	Gas Purchases	176,882,558 SCM	93 86 00 163	146 47 00 131
			93 86 00 163	146 47 00 131

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan  
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Director  
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**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

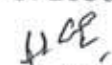
**NOTES ON ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>26 EMPLOYEE BENEFITS EXPENSE</b>		
<b>(a) EMPLOYEES REMUNERATION &amp; BENEFITS:</b>		
Salary & Wages	34 27 06 107	32 40 82 646
Provident Fund / Pension Fund Contribution	3 19 77 052	3 01 08 100
Arrear D.A.	0	21 92 357
Bonus & Exgratia to Employees	1 53 60 752	88 00 000
Ex-Gratia on Death of Employees	40 000	40 000
Employees Training Expenses	4 25 311	15 00 841
Group Gratuity Scheme	91 53 355	1 68 11 661
Welfare Expenses for Employee	14 55 480	16 97 965
Medical Expenses	98 76 189	1 33 59 621
Leave Travel Assistance	10 86 886	8 95 334
Leave Travel Concession	5 28 912	4 99 285
Retirement Journey Benefits	99 960	2 09 800
Group Superannuation Scheme	26 08 582	24 43 485
VRS & Premature Settlement Scheme	6 44 706	5 17 069
	<b>41 59 63 292</b>	<b>40 31 58 164</b>
<b>(b) MD'S REMUNERATION &amp; BENEFITS</b>		
Remuneration	17 67 972	16 59 054
Provident/Pension Fund	1 79 388	1 70 676
	<b>19 47 360</b>	<b>18 29 730</b>
	<b>41 79 10 652</b>	<b>40 49 87 894</b>
<b>27 FINANCE COSTS</b>		
Interest on Loan	0	0
Interest on Deposit & Advance	1 50 30 815	1 22 88 997
	<b>1 50 30 815</b>	<b>1 22 88 997</b>
<b>28 OTHER EXPENSES</b>		
<b>a) POWER &amp; FUEL / COMPRESSION CHARGES</b>		
Electricity Charges	52 86 602	44 63 589
Compressor Gas Fuel Expenses	1 18 74 163	1 20 82 054
Gas Compression charges	89 42 979	1 87 14 024
	<b>2 61 03 744</b>	<b>3 52 59 667</b>
<b>(b) RATES &amp; TAXES:</b>		
Fees & Fines	18 41 073	30 01 006
Rent, Rates & Taxes	1 74 376	65 522
Company's Professional Tax	2 500	2 500
Interest on Service Tax	0	6 25 930
	<b>20 17 949</b>	<b>36 94 958</b>

  
Chief Financial Officer  
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P O Duliajan

  
MANAGING DIRECTOR  
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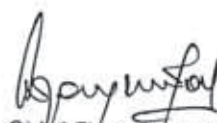
  
Director  
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**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON ACCOUNTS -2016-17 (continued)**


No.	ÅS AT 31-03-2017	AS AT 31-03-2016
<b>(c) OTHER OPERATING EXPENSES:</b>		
P.F. Administrative Expenses	23 04 647	21 70 317
Deposit Linked Insurance	9 23 448	10 67 287
Stipend to Trainees	10 34 941	11 21 907
MD's office Expenses	64 517	72 716
Guwahati office expenses	1 97 590	9 24 654
Printing & Stationery	22 92 126	10 96 260
Postage & Telegrams	1 13 366	1 42 072
Telephone charges	4 82 031	3 87 293
Vehicle Hire charges	83 82 883	86 68 141
Vehicle running expenses	42 76 985	43 37 501
Liveries	3 58 800	4 83 471
Advertisement	58 53 206	53 04 103
Bank charges	11 98 105	5 73 002
Legal expenses	58 27 104	54 12 123
Insurance premium	1 05 76 508	1 04 30 569
House rent	12 94 959	14 16 327
Books, Maps & periodicals	1 93 166	2 30 923
Carriage, Cartage & Freight	1 23 054	1 10 131
Meeting expenses	1 58 254	5 93 938
Donation & Subscription	30 80 787	50 32 953
Exhibition & Business development expenses	4 70 774	1 32 333
Miscellaneous Expenses	52 10 594	44 85 785
Guest House Expenses	2 83 485	7 38 687
Tools & Plants Consumed	1 92 560	1 02 180
Company's Celebration expenses	2 59 731	7 37 267
Sanitary Expenses	1 47 558	1 36 459
Land Survey Expenses	21 410	10 195
Compensation paid	7 70 000	41 393
Consultancy charges	1 60 000	9 10 979
Gas loss on transmission	1 65 92 886	2 64 81 159
Meter reading expenses	17 88 037	21 26 286
Loss on accident	0	0
Compensation paid on Fire Accident	0	33 45 353
Discount/ Rebate (net)	2 46 088	( 2 52 995 )
CSR expenses	1 11 92 797	37 00 877
Bad debts - written off	0	31 30 994
Provision for bad and doubtful debts	0	53 26 074
	<b>8 60 72 397</b>	<b>10 07 28 714</b>
<b>(d) TRAVELLING EXPENSES:</b>		
Employees	44 51 351	46 08 350
Managing Director	8 87 039	8 73 440
Director's	4 38 943	9 066
Candidates/others	3 01 569	1 90 337
	<b>60 78 902</b>	<b>56 81 193</b>

  
Chief Financial Officer  
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Duliajan



  
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ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

NOTES ON ACCOUNTS -2016-17 (continued)

No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>(e) AUDIT FEE &amp; EXPENSES:</b>		
Statutory Audit Fee	1 00 000	1 00 000
Statutory Auditor's Fees for other services	40 000	40 000
Statutory Auditor's expenses	80 000	60 000
Cost Audit Fee	50,000	50 000
Fees & expenses to Tax Consultant	1 14 300	1 89 277
Fees to other Auditors (Other services)	44 220	60 000
Audit expenses for others	35,780	51 062
	<b>4 64 300</b>	<b>5 50 339</b>
<b>(f) CHAIRMAN'S EXPENSES:</b>		
Travelling expenses	460	2 75 420
Office expenses	27 976	9 75 843
Honorarium	0	12 548
	<b>28 436</b>	<b>12 63 811</b>
<b>(g) REPAIRS &amp; MAINTENANCE</b>		
Compressor	1 46 12 634	1 79 12 997
Pipelines	4 67 58 959	4 10 45 534
Gas Meter	20 87 556	11 37 637
Building	53 87 987	1 01 57 006
Vehicles	3 74 027	3 26 589
Colony	5 54 312	7 41 596
Compressor Station	4 86 711	1 60 004
Electrical Installation	30 21 142	45 17 551
Roads & Drains	17 09 040	17 02 792
Water Supply	10 71 357	13 12 848
EDP System	19 84 386	14 82 741
Plant & Machinery	4 74 969	1 29 912
Domestic Gas Lines	27 71 207	10 94 854
Other Assets	4 28 464	6 45 834
	<b>8 17 22 751</b>	<b>8 23 67 895</b>
	<b>20 24 88 479</b>	<b>22 95 46 577</b>

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877





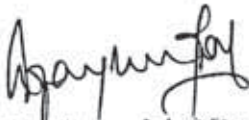
  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

- 29 Current Tax for the year 2016-17 - Rs.36 15 59 952/- (Rs.34 28 80 224/- for 2015-16) includes an amount of Rs.35 90 64 568.00 being the Provision for Income Tax for the current year (against an amount of Rs.34 62 64 806.00 for the previous year 2015-16) made as per the provisions of the Income Tax Act, 1949 and the balance amounts represents the Tax adjustment (net) for the earlier period.

30 Earnings Per Equity Share

Equity Shares

	31-03-2017	31-03-2016	01-04-2015
Face Value of the Equity Shares (each)	100	100	100
Net Profit as per Profit & Loss account available to Equity Shareholders	68 74 82 457	67 33 61 836	59 53 33 734
Weighted Number of Equity Shares outstanding during the year	1,691,449	1,691,449	1,691,449
Basic Earnings Per Share (Rs.)	406	398	352
Diluted Earnings Per Share (Rs.)	406	398	352

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P. O. Dullajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

NOTES ON ACCOUNTS -2016-17 (continued)

NOTES ON ACCOUNTS -2016-17 (continued)

No.

31 Financial Instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2017	Carrying amount		Fair value			Total	
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Level 1	Level 2		Level 3
<b>Financial assets</b>							
Cash and cash equivalents			395 55 86 071				
Trade receivables			92 42 22 962				
Short-term loans and advances			72 11 10 958				
	-	-	560 09 19 991	-	-	-	-
<b>Financial liabilities</b>							
Deposit from Customer	51 78 91 374				51 78 91 374		51 78 91 374
Trade and other payables			22 22 91 940				
Other current financial liabilities			2 13 08 195				
	51 78 91 374		24 36 00 135		51 78 91 374		51 78 91 374

*Pranab Kumar*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Duliajan

*Aravind*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DTM-07285877

*Pranab Kumar*  
Director  
Assam Gas Co. Ltd.  
Duliajan



## ASSAM GAS COMPANY LIMITED

## NOTES ON ACCOUNTS -2016-17 (continued)

## NOTES ON ACCOUNTS -2016-17 (continued)

(Financial instruments – Fair values and risk management (continued) )

March 31, 2016	Mandatorily at FVTPL	FVTOCI - designated as such	Carrying amount Amortised Cost	Total	Level 1	Level 2	Level 3	Fair value Level 3	Total
<b>Financial assets</b>									
Cash and cash equivalents			299 61 79 566	299 61 79 566					
Trade receivables			100 46 67 681	100 46 67 681					
Short-term loans and advances			70 76 89 992	70 76 89 992					
			470 85 37 239	400 08 47 247					
<b>Financial liabilities</b>									
Deposit from Customer	51 00 95 340			51 00 95 340		51 00 95 340			51 00 95 340
Trade and other payables			27 24 36 333	27 24 36 333					
Other current financial liabilities			2 84 80 169	2 84 80 169					
	51 00 95 340		30 09 16 502	81 10 11 842		51 00 95 340			51 00 95 340
<b>April 1, 2015</b>									
	Mandatorily at FVTPL	FVTOCI - designated as such	Carrying amount Amortised Cost	Total	Level 1	Level 2	Level 3	Fair value Level 3	Total
<b>Financial assets</b>									
Cash and cash equivalents			292 48 28 115	292 48 28 115					
Trade receivables			83 79 18 201	83 79 18 201					
Short-term loans and advances			45 13 04 306	45 13 04 306					
			376 27 46 316	376 27 46 316					
<b>Financial liabilities</b>									
Deposit from Customer	36 32 98 215			36 32 98 215		36 32 98 215			36 32 98 215
Trade and other payables			26 97 13 663	26 97 13 663					
Other current financial liabilities			2 44 45 552	2 44 45 552					
	36 32 98 215		29 41 59 215	65 74 57 430		36 32 98 215			36 32 98 215

*Manoj Kumar*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Dullajan

*ACE*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan

*Director*  
DIN-07285877 Assam Gas Co. Ltd.  
Dullajan DIN-07845004





(Financial instruments - Fair values and risk management (continued) )

**B. Measurement of fair values**  
Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

**Financial Instruments measured at fair value**

Type	Valuation technique		Significant	Inter-relationship between
	Present Value techniques using appropriate discounting rates.			
Deposit from Customer			Not applicable	Not Applicable

**C. Financial risk management**

**I. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (the Committee), which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework. Baring Market risk the Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk

**I. Market risk**

Market risk is the risk of changes in market prices - such as foreign exchange rates, interest rates and equity prices - that will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Though the Company expects circumstances relating of transactions in foreign currency, but the Company is currently not carrying any foreign exchange bearing financial instruments in the stated reporting periods.

*[Signature]*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Dullajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan  
DIN-07285877

*[Signature]*  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07285877



(continued)



( C. Financial risk management (continued) )

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company

(Amount in Rupees)

31-Mar-17	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	-	-	-
Past due 1-90 days	23 34 20 375	-	-
More than 90 days	9 08 02 587	-	-
	92 42 22 962	-	-

(Amount in Rupees)

31-Mar-16	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	-	-	-
Past due 1-90 days	38 01 94 547	-	-
More than 90 days	62 44 73 134	-	-
	100 46 67 681	-	-

(Amount in Rupees)

31st March, 2015	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	-	-	-
Past due 1-90 days	34 93 12 162	-	-
More than 90 days	48 86 06 039	-	-
	83 79 18 201	-	-

Cash and cash equivalents

The Company held cash and cash equivalents of Rs.2 92 48 28 115/- as on 1st April 2015, Rs. 299 61 79 566/- as at 31st March 2016 and Rs.395 55 86 071/- as at March 31, 2017. The cash and cash equivalents are held with banks with good credit ratings. The Company also invests its short term surplus funds in bank fixed deposit, which carry no/low mark to market risks for short duration therefore does not expose the company to credit risk.

Other than trade and other receivables, the Company has no other material Financial Assets that are past due but not impaired.


  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan



DIN-07285877

  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

( C. Financial/risk management (continued) )

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due in a cost effective manner, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Exposure to liquidity risk

March 31, 2017	Carrying amount	Contractual cash flows				(Amount in Rupees)
		Total	Upto 1 year	1-3 years	3-5 years	
<b>Financial liabilities</b>						
Deposit from Customer	51 78 91 374	51 78 91 374	4 26 96 333	18 90 13 235	6 19 31 044	22 42 50 762
Trade and other payables	22 22 91 940	22 22 91 940	3 70 47 863		5 31 81 324	13 20 62 753
Other current liabilities	2 13 08 195	2 13 08 195	91 23 050	90 33 183	28 17 272	3 34 690
						(Amount in Rupees)
March 31, 2016	Carrying amount	Contractual cash flows				(Amount in Rupees)
		Total	Upto 1 year	1-3 years	3-5 years	
<b>Financial liabilities</b>						
Deposit from Customer	51 00 95 340	51 00 95 340	16 66 80 608	7 98 32 242	7 20 72 918	19 15 09 572
Trade and other payables	27 24 36 333	27 24 36 333	8 71 92 256		15 20 95 317	3 31 48 760
Other current liabilities	2 84 80 169	2 84 80 169	1 49 93 612	1 03 34 595	28 36 242	3 15 720
						(Amount in Rupees)
April 1, 2015	Carrying amount	Contractual cash flows				(Amount in Rupees)
		Total	Upto 1 year	1-3 years	3-5 years	
<b>Financial liabilities</b>						
Deposit from Customer	36 32 98 215	36 32 98 215	1 98 83 483	7 98 32 242	7 20 72 918	19 15 09 572
Trade and other payables	26 97 13 663	26 97 13 663	8 44 69 586	5 31 81 324	10 16 77 527	3 03 85 226
Other current liabilities	2 44 45 552	2 44 45 552	1 58 40 941	54 52 649	28 19 011	3 32 951

The Company has not carried any derivative financial liabilities as on 1st April 2015, 31st March 2016 and 31st March 2017

Company Secretary  
Assam Gas Company Limited

Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

Director  
Assam Gas Co. Ltd.  
Duliajan





- 32 1. Amount paid to Managing Director :
- |                                 |               |
|---------------------------------|---------------|
| Remuneration                    | Rs. 17 67 972 |
| P.F.Contribution & Pension Fund | Rs. 1 79 388  |
2. Number of employees who are in receipt of emoluments aggregating to Rs.24 00 000/- or more or Rs.2 00 000/- per month N I L
3. Figures of the previous year have been re-grouped, re-arranged, and re-casted wherever found necessary.
4. Figures are taken nearest to the Rupee.

33 Balance Sheet

i. Tangible Assets :

- a. During the year under review, no amount has been received from any consumer towards Capital cost.
- b. Depreciation for the Financial Year 2016-17 has been calculated in accordance with the rates prescribed under Schedule II to the Companies Act 2013 based on the life term of the assets. Accordingly depreciation amounting to Rs. 6 10 54 788/- has been charged to Profit & Loss account for the current Financial Year.
- c. Installation cost (net) incurred in providing new domestic connections during the year 2015-16 and 2016-17 amounting to Rs.55 07 006/- and Rs.66 89 684/- respectively has been capitalized in the respective years with corresponding adjustment to depreciation on assets.

ii. Investments :

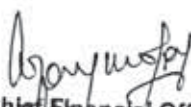
- a. Investment in Share Capital of M/s. Tripura Natural Gas Co. Ltd., Agartala (Tripura, India), which is jointly promoted (in 1990) by M/s. Assam Gas Company Ltd., and M/s. Tripura Industrial Development Corporation, Agartala (Tripura, India), is valued at cost. The Shares of M/s. Tripura Natural Gas Co. Ltd. are not quoted in any of the Stock Exchanges. The Company is having 25.5% Equity Share holdings in M/s. Tripura Natural Gas Company Limited at a cost of Rs.1 00 00 000/- (as against Rs.28 65 000/- up to 2011-12) and all the Share Certificates have since been received.

In accordance with the requirement of Ind As-111 on 'Financial Reporting of Interests in Joint Ventures' the disclosures are giving below:

Description of Interest	:	Jointly controlled entity.
Proportion of ownership interest	:	25.5%
Name & Country of Incorporation	:	Tripura Natural Gas Co. Ltd., Agartala, Tripura, India.

Aggregate amounts of each of the Assets, Liability, Income and Expenses related to interest in the joint Venture:

Assets : Investment	100 00 000	Income : Dividend income	N I L
Advance(Shares)	N I L		
Receivables	N I L		
Liability :	N I L	Expenses :	N I L

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



A copy of the Financial statements of M/s.TNGCL Limited for the year 2016-17, along with Consolidated Financial Statements, as required under 'Ind As - 27', are annexed to herewith.

b. Investment in Share Capital of M/s.DNP Limited, Guwahati (Assam, India), jointly promoted (in 2007) by M/s. Assam Gas Company Ltd., M/s.Numaligarh Refineries Limited, Numaligarh (Assam, India) and M/s.Oil India Limited, Duliajan (Assam, India), is valued at cost. The Shares of M/s. DNP Ltd. are not quoted in any of the Stock Exchanges.

M/s.DNP Limited was incorporated as a Public Company Limited by Shares under the Companies Act, 1956 on 15<sup>th</sup> June, 2007, with its Registered Office at Guwahati (Assam, India), with an Authorised Capital of Rs.150 00 00 000/-, divided into 15 00 00 000 equity shares of Rs.10/- each and the pattern of Equity Share holding structure was agreed at (w.e.f 17<sup>th</sup> March 2009) which has increased to Rs. 1 70 00 00 000 (as on 31.03.13):

M/s.Assam Gas Company Limited	-	51%
M/s.Numaligarh Refineries Limited	-	26%
M/s.Oil India Limited	-	23%

and the contribution to Share Capital have since been made amounting to Rs.1 67 25 00 000/- in total, including Rs. 85 30 00 000/- invested by M/s. Assam Gas Company Limited.

Dividend for the Financial year 2015-16 amounting to Rs. 1 45 01 000 declared by DNPL have since been received and accounted for.

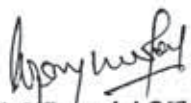
In accordance with the requirement of Ind As-111 on 'Financial Reporting of Interests in Joint Ventures' the disclosures are given below:

Description of Interest	:	Jointly controlled entity.
Proportion of ownership interest	:	51% (w.e.f. 17 <sup>th</sup> March 2009)
Name & Country of Incorporation	:	DNP Limited, Guwahati (Assam), India.

Aggregate amounts of each of the Assets, Liability, Income and Expenses related to interest in the joint Venture:

Assets : Investment	85 30 00 000	Income :	
Advance(others)	1 58 06 945	Dividend:	1 45 01 000
Loans	37 80 00 000	Interest on Loan:	5 24 58 907
Liability :	N I L	Rental Income :	24 31 795
		Expenses :	N I L

A copy of the Financial statements of M/s.DNP Limited for the year 2016-17, along with Consolidated Financial Statements, as required under 'Ind As - 27', are annexed to herewith.


  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan



DIN-07285000

  
Company Director  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan

DIN-07845004

**iii. Financial Assets :**

During the year 2015-16, Company has given to DNP Limited term loan amounting to Rs. 66 80 00 000/- at an interest rate of 10% p.a. which is repayable at Rs. 2.25 Crores per month alongwith interest. Long term advance (Note: 7 (A) ) represents outstanding amount of Rs. 10 80 00 000 above loan amount. Further current portion of outstanding amount is shown under Short Term Loans & Advances (Note: 12 (A) ).

**iv. Stock of Stores :**

a. Stock with Instrumentation department and crisis management amounting to Rs. 38 77 035/- includes Rs.14 35 707/- being the realizable value of 11 numbers of Gas meters returned from the site from 2007-08 to 2016-17.

b. No stock of spares of individual value of more than Rs.5.00 lakhs have been capitalized during the year.

**v. Trade receivables :**

a. Trade Receivables includes an amount of Rs. 20 32 26 549 due from M/s. Eastern India Powertech Limited on account of Gas and TC Bills for the period December 2010 to January, 2013 ( supply disconnected in January, 2013). Since M/s.EIPL has stopped making payments the same has been classified under 'Sundry Debtors – Unsecured and considered doubtful'. The Company has resorted to legal remedies through Arbitration for the recovery of the amount due.

b. Trade Recivable includes an amount of Rs. 40 38 37 114/- due from ASEB-LTPS (Previous year 27 02 90 502/-). ASEB – LTPS has raised dispute over the TC rates for the period 2008 onwards and accordingly has served a Debit Note on the Company amounting to Rs.41 82 81 747/- for the period 2008 to 2015. The Company has neither accepted the debit note nor made any adjustments in the books of accounts though ASEB has started recovering the amounts through adjustment against the subsequent bills raised on them.

c. As per the Accounting Policies, Provision for bad and doubtful debts is to be provided at the rate of 2% on the "Revenue from Operation" for each year. However, no additional provision / adjustments for bad and doubtful debts have been made in the current year due to decline in the 'Revenue from Operations'.

d. Balances of the Trade Receivables are shown as per the balances in the General Ledger, which are subject to confirmation by the consumers and reconciliation with the control register. The Company has sent letters of confirmation to all the parties and some of the replies (including some major consumers) are yet to be received.

**vi. Balance with Banks :**

i. The Company has been maintaining and operating a Current Account with Assam Co-operative Apex Bank Limited, Duliajan (Non Scheduled Bank) with balance of Rs. 24 21 410/- as on 31-03-2017 as against the balance of Rs. 30-05 102/- as on 31-03-2016. The maximum balance at any point of time during the year in the said account was Rs. 30 05 102/.

ii. The Company also maintains and operates a Current Account with Axix Bank Limited, Duliajan (Non Scheduled Bank) with balance of Rs. 9 14 091/- as on 31-03-2017 as against the balance of Rs. NIL as on 31-03-2016. The maximum balance at any point of time during the year in the said account was Rs. 9 14 091/.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Duliajan  
  
Company Secretary  
Assam Gas Company Ltd.

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877  
  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004





vii. Other Equity :

- a. Capital Reserves – Rs. 69 10 823/- represents non-refundable contributions received from the consumers towards capital cost (cost of Pipelines etc.).
- b. An amount of Rs.6 60 13 57 880/- being the accumulated surplus balance (after keeping a maximum balance of Rs.5 00 000/-) in the Profit & Loss Account has been transferred to "General Reserve Account" under "Other Equity" (Liabilities) in the Balance Sheet.

viii. Financial Liabilities :

- a. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

- b. Security Deposits from Domestic consumers (Non current Financial Liabilities) :

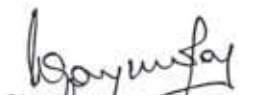
Additional Security Deposits received from the Domestic consumers amounting to Rs.1 65 90 000 being accumulated balance upto 31<sup>st</sup> March 2017 is shown as "SD from Domestic consumers – Materials" under "Security Deposits from Domestic consumers" (Non current Financial Liabilities).

ix. Profit & Loss Account :

- a. ASEB – LTPS has raised dispute over the TC rates for the period 2008 onwards and accordingly has served a Debit Note on the Company amounting to Rs.41 82 81 747/- for the period 2008 to 2015. The Company has neither accepted the debit note nor made any adjustments in the books of accounts though ASEB has started recovering the amounts through adjustment against the subsequent bills raised on them. Discussion is under process between both the parties to resolve the disputed. No provision for any probable reversal of TC already accounted for and booked in Profit & Loss. However, same is shown under contingent liability.


- b. As required by the Accounting Standard on "Taxes on Income" (Ind As-12), the deferred tax provision amounting to Rs. 66 16 891/- for the year under review, has been adjusted against the Statement of Profit and Loss, the only component of the Deferred Tax Liability based on the tax effect of timing differences on depreciation has been considered.

- c. Current Tax includes amounts of Rs. 35 90 64 568/- (Dr) being the provision made for the Financial year 2016-17 and Rs. 24 95 384/- (Dr) being difference of provision made for the Financial years 2015-16, 2014-15 and 2013-14.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Company Secretary  
Assam Gas Co. Ltd.  
Duliajan

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



d. Miscellaneous Expenses under other operating expenses (Note 28.c) amounting to Rs.52 10 594/- includes amounts expended on purchase of curtain cloth, sanitary materials, periodical cleaning charges, miscellaneous township maintenance, reversal of inadmissible CENVAT credit and other miscellaneous expenditures incurred for the corporate offices and all other site offices, are furnished below.

Particulars	Amount
Security Expenses	Dr Rs. 10 09 296
CENVAT reversal	Dr Rs. 6 65 929
VAT relating to Earlier years	Dr Rs. 8 38 828
Consumables	Dr Rs. 3 46 238
Misc. Expenses at site offices	Dr Rs. 10 40 131
Cleaning & Sweeping	Dr Rs. 4 92 000
Administrative Expenses	Dr Rs. 1 92 911
Other expenses	Dr Rs. 6 27 667
<b>TOTAL</b>	<b>Dr Rs. 52 10 594</b>


e. Miscellaneous Receipts under Other Income (Note - 24) - Rs.1 59 32 465/- (Cr) includes apportionment and reimbursement of the cost of expenses other than salary / arrear salary of the employees, received from M/s. DNP Limited for the year 2016-17 and other receipts in the nature of cost of Tender papers, fees and fines for late payment, rent, recovery from contractors, etc., as furnished below.

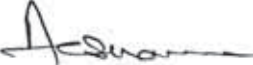

Particulars	Amount
Expenses Recovery	Cr Rs. 87 48 091
Fines & Fees from Domestic	Cr Rs. 23 13 464
Cost of Tender paper / Fees	Cr Rs. 3 06 038
Penalty from consumers	Cr Rs. 6 54 410
Other Receipts	Cr Rs. 48 509
Reconnection Charge	Cr Rs. 50 000
Interest on Income Tax Refund	Cr Rs. 38 11 953
<b>TOTAL</b>	<b>Cr Rs. 1 59 32 465</b>

f. During the year under review Rs. 6,38,186/- has been paid towards VRS payments and an amount of Rs. 6 44 706/- (being 1/5<sup>th</sup> of actual payments including previous years) has been charged to Statement of Profit and Loss on account of the proportionate share of current year's.

g. The Company is continuing the Group Gratuity Scheme and Group Superannuation Scheme with Life Insurance Corporation of India, Jorhat Branch under Policy Cover GGCA-71070 for Gratuity Scheme and Policy Cover GSCA - 71044 for Superannuation Scheme.

During the year under audit, Gratuity has been accounted for on the basis of actuarial valuation and an amount of Rs. 91 53 355/- has been charged under Gratuity, consisting of current year's and past service liability.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
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DIN-07285877  
  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



h. During the year under audit, Employees Leave Encashment benefits, has been accounted for on the basis of actual payments made during the year. Since actuarial valuation of Leave Encashment Benefits has not been carried out, no provision has been made in the accounts for actuarial valuation during the year.

i. During the year under audit, an amount of Rs. 2,81,67,486/- ('Previous year Rs. 99,51,161/-) has been included in Employees Remuneration and Benefits (Note 26 (a) ), being provision for arrear salary due from January, 2016 upto March, 2017.

j. Interest on delayed payments due from ASEB and 13 nos. of tea consumers (Trade Receivables) which are either disputed or considered doubtful of recovery have not been provided during the year under review and shall be considered during the year of settlement / realization as per the policy of the company.

k. Gas meters installed from time to time have been reconciled and necessary adjustments have been affected to Advance from tea Gardens – Gas meter under current liabilities & provisions and Stock of stores at site offices / I E department.

**x. Contingent Liabilities :**

a. In respect of claims under Income Tax, VAT and Service Tax

**i) Income Tax**

a. CIT (Appeals), Dibrugarh has allowed the Company's claim for holding the Company as 'Mineral Oil Concern' under the Income Tax Act, 1961 with regard to the admissibility of Depreciation claim for the Assessment Years 1988-89 to 1995-96 and 1997-98. But the same was contested by the Department through Appeals in ITAT, Guwahati, which have been restored to the files of CIT (Appeals), Dibrugarh for re assessment vide ITAT, Guwahati's Order dated 27-07-2006 and remains pending decision. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

b. ITDS reflected in the accounts (Refer to note 12(d) includes an amount of Rs.68.68 lakhs being TDS disallowed by the department for the Financial years 2008-09 to 2012-13. The Company has filed revised petitions for the allowability of the same. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

**ii) VAT**


The Company has made a rectification petition / appeal against the Orders of the Superintendent and Asstt. Commissioner, Assam Value Added Tax, dated 25-03-2013, 01-09-2015 and 21.04.16, amounting to Rs. 2 31 54 048/- for the Assessment Year 2007-08 and Rs. 21 43 54 758/- for the Assessment Year 2008-09, Rs. 21 03 41 937/- for the Assessment Year 2006-07 respectively, including Interest, being the amount of VAT on natural gas purchased from M/s.Canoro Resources Limited and sold to consumers and VAT payable on Transmission charges also. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

  
**Chief Financial Officer**  
Assam Gas Co. Ltd.  
P O Dullajan



  
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Dullajan

DIN-07285877

  
**Director**  
Assam Gas Co. Ltd.  
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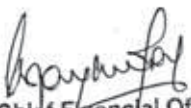


iii) Service Tax

An appeal has been filed with Customs, Excise and Service Tax Appellate Tribunal, Kolkata, against the Orders of the Commissioner of Central Excise, Dibrugarh dated 04-04-2012, 10-10-2013, 19-02-2014, 05-12-2014, 27-03-2015, 30-04-2015, 18.03.2016 and 09.02.2017 regarding payment of service Tax on Minimum Demand Charges on TC and Marketing Margin and other miscellaneous issues amounting to Rs. 9 00 65 500/- exclusive of interest and penalty, for the period November 2006 to March 2016. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:-

Name Of Statute	Nature Of Dues	Amount(Rs)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending
Income Tax Act	Tax	3 93 305	A.Y. 2006-07	Assessing Officer
Income Tax Act	Tax	54 479	A.Y. 2007-08	Assessing Officer
Income Tax Act	Tax	4 687	A.Y. 2008-09	CPC Bangalore
Income Tax Act	Tax	43 82 510	A.Y. 2009-10	Assessing Officer
Income Tax Act	Tax	63 83 200	A.Y. 2010-11	Assessing Officer
Income Tax Act	Tax	14 56 630	A.Y. 2011-12	Assessing Officer
Income Tax Act	Tax	4 67 900	A.Y. 2012-13	Assessing Officer
Assam VAT ACT	Tax	21 03 41 937	F.Y. 2006-07	Assessing Officer
	(including interest)			
Assam VAT ACT	Tax	2 31 54 048	F.Y. 2007-08	Additional Commissioner, Assam VAT
	(including interest)			
Assam VAT ACT	Tax	21 43 54 758	F.Y. 2008-09	Assam Board of Revenue
	(including interest)			
Service Tax	Tax	4 02 28 701	2007 to 2012	CESTAT, Kolkata
Service Tax	Tax	52 28 245	2012-2013	CESTAT, Kolkata
Service Tax	Tax	87 72 606	Oct'12 to Sep'13	CESTAT, Kolkata
Service Tax	Tax	1 52 56 361	Apr'09 to Mar'14	CESTAT, Kolkata
Service Tax	Tax	24 28 855	2013-2014	CESTAT, Kolkata
Service Tax	Tax	88 36 530	Oct'13 to Sep'14	CESTAT, Kolkata
Service Tax	Tax	93 14 202	Oct 14 to Sep 15	Commissioner Appeal Guwahati


  
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Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

  
Secretary  
Assam Gas Co. Ltd.  
Duliajan



b. In respect of claims other than under Income Tax, VAT and Service Tax

i) During the year under review, Contingent Liabilities have been estimated for an amount of Rs.9 85 02 303/- (previous year Rs. 9 85 02 303/-) which includes Rs 3 19 616/- on account of Royalty on MGQ bills raised by M/s.Oil India Limited, an amount of Rs. 2 41 08 680/- on account of disputed interest on loan (2009-10) claimed by UCO Bank which has not been acknowledged by the Company and a debit note raised by ONGC Ltd. during 2012-13 and 2014-15 amounting to Rs. 7 40 74 007/- for the period from June'10 to March'15 as additional gas price bill against consumption of gas volume in excess of booked volume and interest charges on delayed / non payment of billed amounts, which has not been acknowledged by the Company. Disputed interest on loan claimed by UCO Bank not acknowledged by the Company has been considered till 2009-10 and no provision has been made since 2011-12 as there was no claim from the banker.

ii) ASEB – LTPS has raised dispute over the TC rates for the period 2008 onwards and accordingly has served two Debit Notes on the Company amounting to Rs.41 82 81 747/- for the period 2008 to 2015. The Company has neither accepted the debit note nor made any adjustments in the books of accounts though ASEB has started recovering the amounts through adjustment against the subsequent bills raised on them. Discussion is under process between both the parties to resolve the disputed. No provision for any probable reversal of TC already accounted for and booked in Profit & Loss.

xi. GENERAL :

a. Service Tax on Transmission charges amounting to Rs. 1 05 61 274/- & service tax on other services amounting to Rs. 1 29 469/-, which are outstanding for collection during the year under consideration (bills raised in 2017-18) have been treated under "Provision of Service Tax on TC / Gas Meter maint bills" (Short Term Provisions).

b. VAT on Gas Sales are provided for and paid on the basis of bills raised and accounted for during the year.

c. The Company has renewed most of the MoU / agreements due for renewal with the suppliers and consumers. However, the Company is yet to renew the Gas sales and purchase agreement with the supplier M/s. OIL and some (62 nos.) Individual Tea factory consumers and efforts have been taken for the renewal of the same at the earliest.

d. The difference in quantities of gas purchased and sold – 1 98 409 SCM, has arisen due to metering discrepancies.

e. Related Party Disclosure: In accordance with the requirements of Ind As-24 on 'Related Party Disclosures' the names of related party where control exists / able to exercise significant influence, along with the aggregate transactions and year end balances with them as identified by the company are given below:

(a) Directors / Key Managerial Personnel

- |                        |                            |
|------------------------|----------------------------|
| 1. Shri Ravi Capoor    | 2. Shri Ram, Tirath Jindal |
| 3. Shri V. B. Pyarelal | 4. Shri Adiya Kr. Sharma   |
| 5. Shri P.K. Das       | 6. Mr. H Ahmed Khan        |
| 7. Shri Rajib Hazarika | 8. Shri Anuj Kr. Borkotoky |
| 9. Shri A. K. Nath     | 10. Ms. Shehla Rahman      |

  
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- (b) Joint venture - Tripura Natural Gas Company Limited., Agartala, Tripura - Associated Company  
DNP Limited, Guwahati, Assam - Subsidiary Company

The following transactions were carried out during the year with the related parties:-

<u>Nature of transaction</u>	<u>Directors / Key Managerial Personnel</u>	<u>Joint venture</u>
Remuneration, T.A. and other benefits	33 01 778 (39 76 047)	
<u>Balance as at 31.03.2017</u>		
Receivables	NIL (NIL)	NIL (NIL)
Advance against issue of Shares		NIL (NIL)
Loans		37 80 00 000 (64 80 00 000)
Advance (reimbursable)		1 58 06 945 (54 06 966)

(Figures in brackets relate to previous years)

#### f. SEGMENT REPORTING :

The Company is primarily engaged in the business of 'Transmission of Natural Gas' and the other business of the Company i.e purchase and sale of natural gas and construction and maintenance of gas pipe lines are collateral to and revolve around the primary business of the Company and hence 'Segment Reporting' as per Ind AS - 108, has not been considered. However, the matter is being taken up with the consultants and shall be complied with as per their advice in future.

#### g. IMPAIRMENT OF ASSETS :


No adjustments have been carried out during the year.

  
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P O Dullajan

  
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Duliajan

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



34. Disclosure pursuant to MCA notification no. G.S.R. 308(E) dated 30th March, 2017 regarding specified bank notes deposited during 9th November 2016 to 30th December 2016.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2 18 000	7 99 461	10 14 461
(+) Permitted receipts	-	10 48 862	10 48 862
(-) Permitted payments	-	10 18 081	10 18 081
(-) Amount deposited in Banks	2 18 000	-	2 18 000
Closing cash in hand as on 30.12.2016	-	8 27 242	8 27 242

35. Reconciliation of Expenditure on Corporate Social Responsibility (CSR) Activities is as follows:

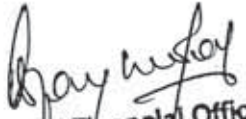
(Amount in Rupees)

	2014-15	2015-16	2016-17
Amount unspent (for earlier years) at the beginning of the year	0	1 79 35 440	3 32 45 502
Amount earmarked for CSR activities during the year	1 79 35 440	1 90 10 939	1 98 01 697
Amount actually spent for CSR activities	0	37 00 877	1 11 92 797
Amount remaining unspent at the end of the year	1 79 35 440	3 32 45 502	4 18 54 402

36. Dividend :

Dividend and Tax on dividend are accounted for on cash basis. Accordingly, an amount of Rs.1 69 14 490/- and Rs.15 33 234/- being the dividend and the Tax on dividend for the year 2015-16 respectively, has been accounted for during the year 2016-17.

For the Financial Year 2016-17, the company has proposed to recommend, declare and pay a dividend at the rate of 10% on the average paid up equity share capital of the company.

  
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Director  
Assam Gas Co. Ltd.  
Dullajan

DIN-07845004



# Independent Auditors' Report on the Consolidated Financial Statements

**TO THE MEMBERS OF ASSAM GAS COMPANY LIMITED**

## **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated Ind AS financial statements of '**Assam Gas Company Limited**' (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## **Management's Responsibility for the Consolidated Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the the Group including its Subsidiaries, Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and

the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.
9. We did not audit the financial statements of one subsidiary and one associate and jointly controlled entity of the holding company. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
10. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements.

### **Report on Other Legal and Regulatory Requirements**

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order.
12. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the holding company, subsidiary company and associate company and jointly controlled companies incorporated in India so far as it appears from our examination of those books;

(c) the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. there were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities;

ii. the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.; and

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

iv. the holding company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer 35 to the consolidated Ind AS financial statements.

For **S. K. Mallick & Co.**

*Chartered Accountants*

*(Firm Registration No. 324892E)*

*Place : Guwahati (Camp)*

*Dated : 25<sup>th</sup> July 2017*

[Pradip Baksi]

Partner

Membership No. 054264



## **Annexure to the Auditors' Report on the Consolidated Financial Statements**

*(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)*

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the accompanying consolidated Ind AS financial statements of '**Assam Gas Company Limited**' (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"), in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the holding company, its subsidiaries, associates and jointly controlled entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the holding company, its subsidiaries, associates and jointly controlled entities internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements,

whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and explanation given to us and based on the consideration of the reports of other auditors, the holding company, its subsidiaries, associates and jointly controlled entities which are incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. K. Mallick & Co.**

*Chartered Accountants*

*(Firm Registration No. 324892E)*

*Place : Guwahati (Camp)*

*Dated : 25<sup>th</sup> July 2017*

[Pradip Baksi]

*Partner*

Membership No. 054264



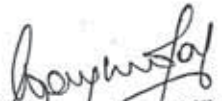
ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>A ASSETS</b>				
1) Non-current assets				
(a) Property, Plant & Equipments				
(i) Tangible assets	4			
a. Gross Block		420 84 32 226	409 61 57 735	397 15 94 600
b. Less: Depreciation		40 92 53 203	21 17 95 833	0
c. Net Block		379 91 79 023	388 43 61 902	397 15 94 600
d. Revalued Fixed Assets				
		379 91 79 023	388 43 61 902	397 15 94 600
(b) Capital Work in progress	5	5 67 26 437	5 82 65 927	4 95 73 084
(c) Non-current investments	6	16 50 29 111	13 62 01 735	9 49 67 870
(d) Financial Assets	7	19 87 713	18 57 701	19 23 267
(e) Other non-current assets	8	13 06 908	13 13 428	18 30 497
		22 50 50 169	19 76 38 791	14 82 94 718
2) Current assets				
(a) Inventories	9	22 63 17 439	17 76 83 743	18 80 37 983
(b) Financial Assets				
- Trade receivables	10	104 45 19 585	113 94 27 298	95 52 19 259
- Cash and cash equivalents	11	408 91 77 776	306 59 80 117	296 83 07 862
- Short-term loans and advances	12	44 53 65 741	48 47 76 337	44 82 14 308
(c) Other current assets	13	11 92 35 660	10 46 44 073	13 81 83 438
		592 46 16 201	497 25 11 568	469 79 62 850
<b>TOTAL</b>		<b>994 88 45 393</b>	<b>905 45 12 261</b>	<b>881 78 52 168</b>
<b>B EQUITY AND LIABILITIES</b>				
1. Equity				
a. Equity Share Capital	14	16 91 44 900	16 91 44 900	16 91 44 900
b. Other Equity	15	694 69 81 811	619 77 84 563	546 46 01 397
c. Minority Interest	16	99 17 55 199	94 24 36 152	90 61 28 495
		810 78 81 910	730 93 65 615	653 98 74 792
2. Liabilities				
a. Non Current Liabilities				
Financial Liabilities				
- Borrowings	17	0	0	64 80 00 000
- Other Financial Liabilities	18	53 32 79 195	52 41 10 357	38 29 48 574
b. Deferred tax liability ( net)	19	44 65 91 251	33 30 42 132	24 33 70 259
c. Provisions	20	18 65 016	17 11 661	1 79 00 000
		98 17 35 462	85 88 64 150	129 22 18 833

(continued)

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

CONSOLIDATED BALANCE SHEET

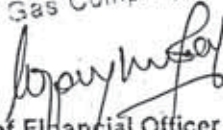
(Amount in Rupees)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
(continued)				
3. Current Liabilities				
a. Financial Liabilities				
- Trade payables	21	22 22 91 940	27 24 36 333	26 97 13 663
- Other Financial Liabilities	18	8 44 60 107	4 60 95 250	4 01 39 089
b. Other current liabilities	22	18 27 20 663	20 97 09 356	36 75 32 584
c. Provisions	23	36 97 55 311	35 80 41 557	30 83 73 207
		85 92 28 021	88 62 82 496	98 57 58 543
<b>TOTAL</b>		<b>994 88 45 393</b>	<b>905 45 12 261</b>	<b>881 78 52 168</b>

CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES  
NOTES ON TRANSITION TO Ind AS

1 & 2  
3

  
Company Secretary  
Assam Gas Company Ltd.


  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

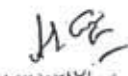
  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



In terms of our report of even date attached to herewith

For S K Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

  
(CA. PRADIP BAKSI)  
Partner  
(Membership No. 054264)

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
IN-07845004

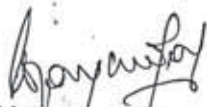
Place : Guwahati (camp)  
Dated : 25th July 2017

ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

CONSOLIDATED STATEMENT OF PROFIT & LOSS


(Amount in Rupees)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016
I. Revenue from operations	24	287 92 21 697	342 40 37 575
II. Other income	25	43 04 45 889	38 97 27 727
III. Total Revenue ( I + II)		330 96 67 586	381 37 65 302
IV. Expenses:			
Purchases of stock in trade	26	93 86 00 163	146 47 00 131
Employee benefit expenses	27	45 53 79 836	44 31 10 480
Finance costs	28	1 70 32 260	9 77 30 495
Depreciation and amortization	4	19 80 22 110	21 17 95 833
Other expenses	29	35 14 60 357	35 57 84 730
Total expenses		196 04 94 726	257 31 21 668
V. Profit before exceptional and extraordinary items and tax ( III - IV)		134 91 72 860	124 06 43 634
VI. Exceptional items			
VII. Profit before extraordinary items and tax ( V - VI )		134 91 72 860	124 06 43 634
VIII. Prior period & Extraordinary items		9 79 220	( 1 44 642 )
IX. Profit before tax ( VII - VIII)		134 81 93 640	124 07 88 276
X. Tax expenses			
1) Current tax	30	42 67 88 190	39 08 95 184
2) Deferred tax	19	11 35 49 119	8 96 71 874
		54 03 37 309	48 05 67 058
XI. Profit for the period from continuing operations ( IX - X)		80 78 56 331	76 02 21 218
XII. Profit from discontinuing operations		0	0
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit from Discontinuing operations ( after tax ) ( XII - XIII)		0	0
XV. Profit for the period ( XI + XIV)		80 78 56 331	76 02 21 218

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
Company Secretary  
Assam Gas Company Ltd.

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan

DIN-07285877  
  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004

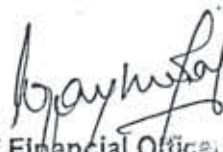


**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**

(Amount in Rupees)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016
(continued)			
XVI. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
B (i) Items that will be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will be reclassified to profit or loss		0	0
XVII. Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		80 78 56 331	76 02 21 218
XVIII. Earnings per equity share:	31		
(1) Basic		478	449
(2) Diluted		478	449


  
Chief Financial Officer,  
Assam Gas Co. Ltd.  
P O Dullajan


  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan  
DIN-07285877



In terms of our report of even date attached to herewith

For S K Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

  
(CA. PRADIP BAKSI)  
Partner  
(Membership No. 054264)

  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004

Place : Guwahati (camp)  
Dated : 25th July 2017




**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**2016-17**

**Statement of Cash Flow (Consolidated Accounts)**

		For the year 2016-17	For the year 2015-16
<b>I.</b>	<b>CASH FLOW FROM "OPERATING ACTIVITIES"</b>		
a)	Net Profit before Tax	134 91 72 860	124 06 43 634
b)	Adjustments for :		
i)	Depreciation	19 74 57 370	21 17 95 833
ii)	Misc. Expenditure	6 44 7 06	5 17 069
iii)	Interest on Fixed Deposit	(25 59 22 845)	(27 76 80 190)
iv)	Fair valuation of Investments in TNGCL	2 88 27 376	4 12 33 865
	<b>Operating Profit before working capital changes</b>	<b>132 01 79 467</b>	<b>121 65 10 211</b>
c)	<b>Working capital changes :</b>		
i)	Increase in inventories	(4 86 33 696)	1 03 54 240
ii)	Decrease in Trade Receivables(Fin. Assets)	9 49 07 713	(18 42 08 039)
iii)	Increase in Short Term Loans & Advances(Fin. Asset)	(4 44 342)	32 05 064
iv)	Decrease in other Current Liabilities	(2 69 88 693)	(15 78 23 228)
v)	Decrease in Trade payable(Financial Liabilities)	(5 01 44 393)	27 22 670
	<b>Cash generated from operations</b>	<b>128 88 76 056</b>	<b>89 07 60 918</b>
Less :	Income Tax Payment	(37 41 33 490)	(38 52 38 221)
	<b>Cash Flow before extra ordinary items</b>	<b>91 47 42 566</b>	<b>50 55 22 697</b>
Add :	Earlier year adjustment	9 79 220	(1 44 642)
	<b>Net Cash from operating activities</b>	<b>91 37 63 346</b>	<b>50 56 67 339</b>
<b>II.</b>	<b>CASH FLOW FROM "INVESTING ACTIVITIES"</b>		
i)	Purchase of Fixed Assets	(11 16 46 448)	(13 32 55 978)
ii)	Sale of Asset	9 11 447	0
iii)	Fixed Deposits	(104 21 06 887)	(12 70 10 892)
iv)	Interest received on Fixed Deposits	24 13 31 258	31 12 19 555
v)	Misc. Exp - VRS Payments	(6 38 186)	0
	<b>Net Cash used in Investing activities</b>	<b>(91 21 48 816)</b>	<b>5 09 52 685</b>
<b>III.</b>	<b>CASH FLOW FROM "FINANCING ACTIVITIES"</b>		
i)	Increase in Non Current other financial liabilities	91 68 838	14 11 61 783
ii)	Increase in Non-current Investment	(2 88 27 376)	(4 12 33 865)
iii)	Dividend & Tax paid	(3 81 67 412)	(3 19 64 260)
iv)	Decrease in Current other Financial Liabilities	3 83 64 857	59 56 161
v)	Decrease in Financial Asset	(1 30 012)	65 566
vi)	Decrease in Current Liabilities provisions	(10 86 008)	42 44 293
vii)	Increase in provisions	1 53 355	(1 61 88 339)
viii)	Repayment of Borrowings of DNPL	0	(64 80 00 000)
	<b>Net Cash used in financing activities</b>	<b>(2 05 23 758)</b>	<b>(58 59 58 661)</b>
	<b>Net Increase in Cash &amp; Cash equivalents</b>	<b>(1 89 09 228)</b>	<b>(2 93 38 637)</b>
	<b>Cash &amp; Cash equivalents at the begining of the year</b>	<b>4 98 48 314</b>	<b>7 91 86 951</b>
	<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>3 09 39 086</b>	<b>4 98 48 314</b>

  
MANAGING DIRECTOR  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



In terms of our report of even date attached to herewith

For S K Mallick & Co.  
Chartered Accountants  
Firm Regd. No. 324892E

(CA) PRADIP BAKSI)  
Partner  
(Membership No. 054264)

Place : Guwahati (camp)  
Dated : 25th July 2017

  
Company Secretary  
Assam Gas Co. Ltd.  
Duliajan

  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

**CORPORATE INFORMATION &  
SIGNIFICANT ACCOUNTING POLICIES**

**1. Corporate Information**

Assam Gas Company Limited, a Government of Assam Undertaking - fully owned and controlled by the Government of Assam through Equity participation, is a public limited company incorporated in India under the provisions of the Companies Act, 1956, with its Registered Office situated at Duliajan (Post Office), Dibrugarh District.

**Subsidiary Company**

M/s.DNP Limited was incorporated as a Public Company Limited by Shares under the Companies Act, 1956 on 15<sup>th</sup> June, 2007, with its Registered Office at Guwahati (Assam, India), with an Authorised Capital of Rs.170 00 00 000/-, divided into equity shares of Rs.10/- each and a paid up capital of Rs.1 67 25 00 000/-. Assam Gas Company Limited is holding 51% of the paid up share capital of the company, while Numaligarh Refineries Limited holds 26% and M/s.Oil India Limited 23% of the paid up share capital respectively.

**Associated Company - Joint venture**

M/s. Tripura Natural Gas Co. Ltd., Agartala (Tripura, India), was jointly promoted in 1990, by Assam Gas Company Ltd., and Tripura Industrial Development Corporation, Agartala (Tripura, India). At present the Authorised Capital of TNGCL is Rs.10 00 00 000/-, divided into equity shares of Rs.10/- each and the paid up capital is Rs.3 92 00 000/-. Assam Gas Company is having 26% Equity Share holdings in M/s. Tripura Natural Gas Company Limited.

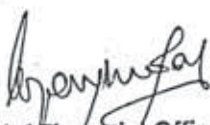
**2. Significant Accounting Policies**

**2.1 Basis of preparation of Consolidated Financial Statements**


The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These Financial Statements for the year ended on 31<sup>st</sup> March 2017 are the first time adoption that the company has prepared in accordance with Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in note no. 3

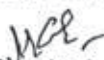
The financial statements are prepared under the historical cost convention and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), including Accounting Standards notified under relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy. Revenues are generally recognized on accrual system of accounting except where otherwise stated.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
Company Secretary  
Assam Gas Company Ltd.

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Duliajan

DIN-07845004





## 2.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Assam Gas Company Limited ('the Company'), its subsidiary company (DNP Limited) and its Associates (Tripura Natural Gas Company Limited). The consolidated financial statements have been prepared on the following basis:

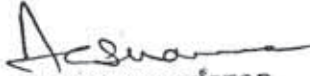
- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements"
- b) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- c) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

C. Investments other than in subsidiary have been accounted as per Accounting Standard (Ind AS) 28 on "Investment in Associates and joint ventures".

### D. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285877



  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



No.

**3 Transition to Ind AS**

As per Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment; investment property and intangibles exemption:

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, investment properties and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

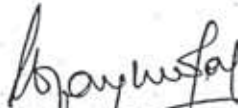
Derecognition of financial assets and financial liabilities

The Corporation has opted the exemption for Derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

Classification and measurement of financial assets


Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliagan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliagan  
DIN-07285877



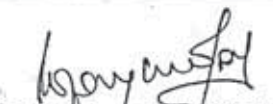
  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliagan  
DIN-07845004

I. Reconciliation of Balance sheet as at April 1, 2015:


(Amount in Rupees)


Particulars	As at 1-Apr-2015 IGAAP	Measurement Ind AS	As at 1-Apr-2015 Ind AS
<b>A ASSETS</b>			
1) Non-current assets			
(a) Property, Plant & Equipments			
(i) Tangible assets			
a. Gross Block	388 54 58 925	8 61 35 675	397 15 94 600
b. Less: Depreciation			
c. Net Block	388 54 58 925	8 61 35 675	397 15 94 600
(b) Capital Work in progress	4 95 73 084		4 95 73 084
(c) Non-current investments	9 49 67 870		9 49 67 870
(d) Financial Assets	19 23 267		19 23 267
(e) Other non-current assets	18 30 497		18 30 497
	14 82 94 718		14 82 94 718
2) Current assets			
(a) Inventories	20 11 40 076	(13,102,093)	18 80 37 983
(b) Financial Assets			
- Trade receivables	95 52 19 259		95 52 19 259
- Cash and cash equivalents	296 83 07 862		296 83 07 862
- Short-term loans and advances	44 82 14 308		44 82 14 308
(c) Other current assets	13 81 83 438		13 81 83 438
	471 10 64 943	(1 31 02 093)	469 79 62 850
	874 48 18 586	7 30 33 582	881 78 52 168
<b>B EQUITY AND LIABILITIES</b>			
1. Equity			
a. Equity Share Capital	16 91 44 900		16 91 44 900
b. Other Equity	534 90 02 289	11 55 99 108	546 46 01 397
c. Minority Interest	90 61 28 495		90 61 28 495
	642 42 75 684	11 55 99 108	653 98 74 792
2. Liabilities			
a. Non Current Liabilities			
Financial Liabilities			
- Borrowings	64 80 00 000		64 80 00 000
- Other Financial Liabilities	38 92 27 882	( 62 79 308 )	38 29 48 574
b. Deferred tax liability ( net )	24 38 97 295	( 5 27 036 )	24 33 70 259
c. Provisions	1 79 00 000		1 79 00 000
	129 90 25 177	( 68 06 344 )	129 22 18 833
3. Current Liabilities			
a. Financial Liabilities			
- Trade payables	26 97 13 663		26 97 13 663
- Other Financial Liabilities	3 45 51 010	55 68 079	4 01 39 089
b. Other current liabilities	36 75 32 584		36 75 32 584
c. Provisions	34 97 20 468	( 4 13 47 261 )	30 83 73 207
	102 15 17 725	( 3 57 59 182 )	98 57 58 543
	874 48 18 586	7 30 33 582	881 78 52 168

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285977



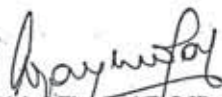
  
Director  
Assam Gas Co. Ltd.  
Duliajan.  
DIN-07845004

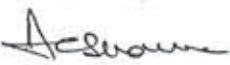
  
Company Secretary  
Assam Gas Co. Ltd.



II. Reconciliation of Balance sheet as at March 31, 2016:

Particulars	As at 31-Mar-2016 IGAAP	Measurement Ind AS	As at 31-Mar-2016 Ind AS
<b>A ASSETS</b>			
1) Non-current assets			
(a) Property, Plant & Equipments			
(i) Tangible assets			
a. Gross Block	408 05 25 019	1 56 32 716	409 61 57 735
b. Less: Depreciation	21 17 95 833		21 17 95 833
c. Net Block	386 87 29 186	1 56 32 716	388 43 61 902
d. Revalued Fixed Assets			
	386 87 29 186	1 56 32 716	388 43 61 902
(b) Capital Work in progress	5 82 65 927		5 82 65 927
(c) Non-current investments	13 62 01 735		13 62 01 735
(d) Financial Assets	18 57 701		18 57 701
(e) Other non-current assets	13 13 428		13 13 428
	19 76 38 791		19 76 38 791
2) Current assets			
(a) Inventories	18 97 39 952	(12,056,209)	17 76 83 743
(b) Financial Assets			
- Trade receivables	113 94 27 298		113 94 27 298
- Cash and cash equivalents	306 59 80 117		306 59 80 117
- Short-term loans and advances	48 47 76 337		48 47 76 337
(c) Other current assets	10 46 44 073		10 46 44 073
	498 45 67 777	(1 20 56 209)	497 25 11 568
	905 09 35 754	35 76 507	905 45 12 261
<b>B EQUITY AND LIABILITIES</b>			
1. Equity			
a. Equity Share Capital	16 91 44 900		16 91 44 900
b. Other Equity	614 54 86 925	5 22 97 638	619 77 84 563
c. Minority Interest	94 24 36 152		94 24 36 152
	725 70 67 977	5 22 97 638	730 93 65 615
2. Liabilities			
a. Non Current Liabilities			
Financial Liabilities			
- Borrowings	52 38 43 246	2 67 111	52 41 10 357
- Other Financial Liabilities	33 32 15 089	( 1 72 957 )	33 30 42 132
b. Deferred tax liability ( net)	17 11 661		17 11 661
c. Provisions	85 87 69 956	94 154	85 88 64 150
3. Current Liabilities			
a. Financial Liabilities			
- Trade payables	27 24 36 333		27 24 36 333
- Other Financial Liabilities	4 22 33 503	38 61 747	4 60 95 250
b. Other current liabilities	20 97 09 356		20 97 09 356
c. Provisions	41 07 18 589	(5 26 77 032)	35 80 41 557
	93 50 97 781	(4 68 15 285)	88 82 82 496
	905 09 35 754	35 76 507	905 45 12 261

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285877

  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004






III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016: (Amount in Rupees)

Particulars	Year Ended 31-Mar-2016 IGAAP	Measurement Ind AS	Year Ended 31-Mar-2016 Ind AS
I. Revenue from operations :	341 97 75 118	42 62 457	342 40 37 575
II. Other income	38 97 27 727		38 97 27 727
III. Total Revenue ( I + II)	380 95 02 845	42 62 457	381 37 65 302
IV. Expenses:			
Purchases of stock in trade	146 47 00 131		146 47 00 131
Employee benefit expenses	44 31 10 480		44 31 10 480
Finance costs	9 41 54 958	35 75 537	9 77 30 495
Depreciation and amortization	21 10 61 242	7 34 591	21 17 95 833
Other expenses	35 68 30 614	( 10 45 884 )	35 57 84 730
Total expenses	256 98 57 424	32 64 244	257 31 21 668
V. Profit before exceptional and extraordinary items and tax ( III - IV)	123 96 45 421	9 98 213	124 06 43 634
VI. Exceptional Items			
VII. Profit before extraordinary items and tax ( V - VI)	123 96 45 421	9 98 213	124 06 43 634
VIII. Prior period & Extraordinary Items	( 1 44 642 )		( 1 44 642 )
IX. Profit before tax ( VII - VIII)	123 97 90 063	9 98 213	124 07 88 276
X. Tax expenses			
1) Current tax	39 09 03 803	( 8 619 )	39 08 95 184
2) Deferred tax	8 93 17 794	3 54 080	8 96 71 874
	48 02 21 597	3 45 461	48 05 67 058
XI. Profit for the period from continuing operations ( IX - X)	75 95 68 466	6 52 752	76 02 21 218

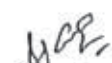
(continued)

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877

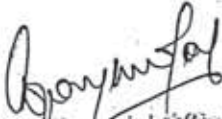


  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004


III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016 (continued)

Particulars	Year Ended 31-03-2016 IGAAP	Measurement Ind AS	Year Ended 31-03-2016 Ind AS
XII. Profit from discontinuing operations	0	0	0
XIII. Tax expenses of discontinuing operations	0	0	0
XIV. Profit from Discontinuing operations (after tax) (XII - XIII)	0	0	0
XV. Profit for the period (XI + XIV)	75 95 68 466	6 52 752	76 02 21 218
XVI. Other Comprehensive Income	0	0	0
A (i) Items that will not be reclassified to profit or loss	0	0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	0
B (i) Items that will be reclassified to profit or loss	0	0	0
(ii) Income tax relating to items that will be reclassified to profit or loss	0	0	0
XVII. Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	75 95 68 466	6 52 752	76 02 21 218
XVIII. Earnings per equity share (for continuing operations)			
(1) Basic	478		449
(2) Diluted	478		449
Earnings per equity share (for discontinued operations)			
(1) Basic			
(2) Diluted			
Earnings per equity share (for continuing & discontinued operations)			
(1) Basic	478		449
(2) Diluted	478		449

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



  
Company Secretary  
Assam Gas Company Ltd.

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



IV. The Company does not have a significant impact on the Cash flow statement as on 31 March 2016.

V. Reconciliation of Equity as on 31 March 2016 and 1 April 2015 (Amount in Rupees)

Particulars	Note Ref	March 31, 2016	April 1, 2015
Net worth as per Previous GAAP		631 44 09 604	559 34 22 563
Reversal of Proposed Dividend	A	5 26 68 412	4 13 47 260
Fair valuation of deposits	B	8 17 253	6 91 230
Deferred tax	C	2 30 102	5 27 036
Impact of Stores & Spares	D	( 11 95 908 )	( 22 41 792 )
Net worth as per Ind AS		636 69 29 463	563 37 46 297

Notes to reconciliations:-

A. Proposed Dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as a liability in the period in which they relate, as these are considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. usually when approved by shareholders in an annual general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax as at 1 April 2015 and 31 March 2016 of Rs.4 13 47 260/- and Rs.5 26 68 412/- respectively included under the provisions has been reversed with corresponding adjustments to retained earnings.

B. Fair valuation of Deposits

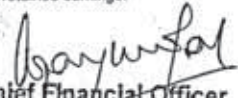
The Company has received an interest free security deposits from Tea Gardens and other customers under Gas Transportation Agreement which is to be returned after the agreement period which is normally for 5 years. Under Ind AS, this deposit has been measured at fair value on initial recognition with the corresponding impact on additional transportation charges

C. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

D. Stores and Spares

Under Indian GAAP, machinery spares that are specific to the a particular property, plant and equipment (PPE) are capitalised to the cost of the PPE. Spares acquired subsequently are charged to the Statement of Profit & Loss. Under Ind AS, spares with a useful life of more than one year shall be treated as PPE and depreciated from the date they are ready to use over the useful life of the spare part. Hence, spares which were erstwhile treated as inventory under IGAAP shall now be classified as part of PPE if recognition criteria are met and corresponding depreciation is charged from the date they are ready to use to retained earnings.

  
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Duliajan

  
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Duliajan

  
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Duliajan  
DIN-07845004



ASSAM GAS COMPANY LTD.  
DULIAJAN, ASSAM

## NOTE 4 : Property, Plant &amp; Equipments

(2015-16)

PARTICULARS	GROSS BLOCK			DEPRECIATION (SLM)			NET BLOCK on SLM / WDV	
	COST AS AT 01-04-15	ADDITION FOR THE YEAR	ADJUSTMENT (Discard)	COST AS AT 31/03/16	UP TO 01-04-15	FOR THE YEAR	Adjustment to Assets (during year)	TOTAL (under SLM)
A. Land	4 18 68 132	2 89 383	0	4 21 55 515	0	0	0	4 21 55 515
B. Residential & Factory Building	18 92 93 858	1 04 62 558	0	19 97 56 416	0	80 09 372	0	19 17 47 044
C. Pipe Lines & Plant & Machinery	354 59 17 042	8 34 78 065	0	362 93 95 127	0	14 66 31 863	0	346 07 63 264
D. Office Equipment	15 60 544	1 47 940	0	17 08 484	0	5 61 214	0	11 47 270
E. Hospital Equipments	1 10 295	0	0	1 10 295	0	7 307	0	1 02 988
F. Miscellaneous Fixed Assets	2 40 862	11 50	0	2 42 012	0	66 572	0	1 75 440
G. Electrical Installation	12 25 87 287	1 31 41 059	0	13 57 28 356	0	1 98 94 073	0	11 58 34 283
H. Roads, Drains and Water Works	2 84 93 880	41 82 065	0	3 26 75 945	0	2 04 54 106	0	204 54 106
I. Furniture & Fixture	32 16 042	8 90 960	0	41 07 002	0	5 40 027	0	36 66 975
J. Motor Vehicles	50 82 806	1 16 09 570	0	1 66 92 376	0	13 49 560	0	1 53 42 816
K. E.D.P. System	3 22 43 192	3 60 355	0	3 26 03 547	0	1 21 48 722	0	2 04 54 825
L. Communication System	9 82 650	0	0	9 82 650	0	1 33 017	0	8 49 633
<b>Total</b>	<b>267 15 94 600</b>	<b>12 45 63 135</b>	<b>0</b>	<b>409 61 57 735</b>	<b>0</b>	<b>21 17 95 833</b>	<b>0</b>	<b>21 17 95 833</b>
								<b>388 43 61 902</b>
								<b>389 63 19 920</b>



*Assam*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285877

Director  
Assam Gas Co. Ltd.

Duliajan

DIN-07845004

*Assam*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan



ASSAM GAS COMPANY LTD.  
DULAJAN, ASSAM

NOTE 4 (continued) : Property, Plant & Equipments (2016-17)

GROSS BLOCK					DEPRECIATION				NET BLOCK (on SLM / WDV)	
PARTICULARS	COST AS AT 01-04-16	ADDITION FOR THE YEAR	ADJUST- MENTS (discards)	COST AS AT 31-04-17	UP TO 01-04-16	FOR THE YEAR	Adjustment to Assets (during year)	TOTAL AT 31-03-17	AS AT 31-03-17	AS AT 31-03-16
A. Land	4 21 55 515	0	0	4 21 55 515	0	0	0		4 21 55 515	4 21 55 515
B. Residential & Factory Building	19 57 56 416	35 10 736	0	20 32 67 152	80 09 372	80 83 165	0	1 60 92 537	18 71 74 615	19 17 47 044
C. Pipe Lines & Plant & Machinery	362 03 95 127	10 24 84 685	0	373 18 79 812	14 86 31 863	15 07 60 788	0	29 93 92 651	343 24 87 161	348 07 63 264
D. Office Equipment	17 08 484	4 24 709		21 33 193	5 61 214	4 84 417	0	10 45 631	10 87 562	11 47 270
E. Hospital Equipments	1 10 295	0	0	1 10 295	7 307	7 287	0	14 594	95 701	1 02 988
F. Miscellaneous Fixed Assets	2 42 012	2 29 944	0	4 71 956	66 572	92 001	0	1 58 573	3 13 383	1 75 440
G. Electrical Installation	13 57 28 366	14 40 689	0	13 71 69 055	1 98 94 073	1 98 97 081	0	3 97 91 154	9 73 77 901	11 58 34 253
H. Roads, Drains and Water Works	3 26 75 945	5 06 063	0	3 31 82 008	2 04 54 106	33 70 099	0	2 38 24 205	93 57 803	1 22 21 839
I. Furniture & Fixture	41 07 002	4 60 285	0	45 67 287	5 40 027	5 55 409	0	10 95 436	34 71 851	35 66 975
J. Motor Vehicles	1 66 92 376	0	(13 74 264)	1 53 18 112	13 49 560	20 55 344	(5 64 740)	28 80 164	1 24 37 948	1 53 42 816
K. E.O.P. System	3 26 03 547	40 78 749	0	3 66 82 296	1 21 48 722	1 25 29 959	0	2 48 78 681	1 20 03 615	2 04 54 825
L. Communication System	9 82 650	5 12 895	0	14 95 545	1 33 017	1 46 561	0	2 79 578	12 15 967	8 49 633
Total	409 61 57 735	11 36 48 755	(13 74 264)	420 84 32 226	21 17 95 833	19 80 22 111	(5 64 740)	40 92 53 204	379 91 79 022	388 43 61 902
Previous Year's Figures	397 15 94 800	12 45 63 135	0	409 61 57 735	0	21 17 95 833	0	21 17 95 833	388 43 61 902	389 63 19 920

*Assam*  
MANAGING DIRECTOR  
Assam Gas Co. Ltd.  
Dulajan



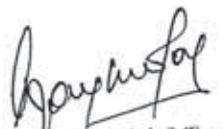
*Assam*  
DIRECTOR  
Assam Gas Co. Ltd.  
Dulajan

DIN-07285877  
DIN-07845004  
Assam Gas Co. Ltd.  
Dulajan


**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	* AS AT 31-03-2016	AS AT 01-04-2015
<b>5 CAPITAL WORK - IN - PROGRESS</b>			
Inventory Mgmt. software	90 000	90 000	90 000
Pipeline H.D.P.E.	3 82 15 371	4 14 47 750	4 45 31 259
CNG/LNG Project	34 74 857	33 36 328	1 67 890
Scada	1 34 98 809	1 19 44 449	37 07 785
Power Project	14 47 400	14 47 400	10 76 150
	<b>5 67 26 437</b>	<b>5 82 65 927</b>	<b>4 95 73 084</b>
<b>6 NON CURRENT INVESTMENTS</b>			
<i>Investment measured at Fair value through Profit &amp; Loss</i>			
Investment in Associated company			
Equity contribution in Tripura Natural Gas Co. Ltd. ( unquoted)	16 50 29 111	13 62 01 735	9 49 67 870
(100000 equity shares @ Rs.100 each fully paid)			
Other Investments	0	0	0
	<b>16 50 29 111</b>	<b>13 62 01 735</b>	<b>9 49 67 870</b>
<b>7 Financial Assets</b>			
<b>A. Other Financial Assets</b>			
AGCL Gratuity Trust Account	1 000	1 000	1 000
Security Deposit	20 42 085	20 42 085	19 72 611
Assam Entry tax	( 55 372 )	( 1 85 384 )	( 50 344 )
	<b>19 87 713</b>	<b>18 57 701</b>	<b>19 23 267</b>
<b>8 OTHER NON-CURRENT ASSETS</b>			
Misc. Expenditure ( to the extent not written off)			
VRS Payments - Accumulated balance	13 13 428	18 30 497	9 51 107
Add : Paid during the year	6 38 186	0	13 96 459
	<b>19 51 614</b>	<b>18 30 497</b>	<b>23 47 566</b>
Less : Adjusted during the year	6 44 706	5 17 069	5 17 069
	<b>13 06 908</b>	<b>13 13 428</b>	<b>18 30 497</b>

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O Dullajan

  
Director  
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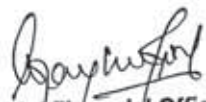




**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

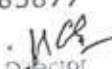
No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>9 INVENTORIES</b>			
<i>(As taken, valued and certified by the Management at cost)</i>			
Stock of Stores and Spares	14 92 46 821	14 45 27 913	14 94 26 349
Stock of Stores( Project)	5 88 75 243	1 68 42 754	1 91 90 186
Stock with Instrument Deptt. & Crisis Mgmt.com.	38 77 035	24 79 277	52 79 518
Stock of Medical Stores	20 95 807	3 21 919	2 67 406
Stock of Stores at Site Office	1 22 22 533	1 35 11 880	1 38 74 524
	<b>22 63 17 439</b>	<b>17 76 83 743</b>	<b>18 80 37 983</b>
<b>10 FINANCIAL ASSETS - TRADE RECEIVABLES</b>			
<i>(Unsecured and considered good)</i>			
Brahmaputra Valley Fertiliser Corpn. Ltd.	3 97 14 117	7 68 33 199	11 11 34 911
Assam State Electricity Board, Namrup	3 01 50 673	15 90 77 489	8 61 81 917
Assam State Electricity Board, Maibela	40 38 37 114	27 02 90 502	18 96 34 126
Assam Petro Chemicals Ltd.	20 67 542	21 15 973	20 53 502
Sonari area T E	1 24 65 821	1 91 96 270	1 14 17 673
NEEPCO	1 38 97 179	61 25 830	90 47 678
Oil India Limited, Duliajan	7 42 197	4 95 014	2 59 189
Domestic Consumers Receivable	10 01 08 020	10 29 70 586	10 44 73 117
Moran Plantation line	99 50 995	1 23 76 914	23 45 024
Naharkatia/Duliajan Area gardens	71 68 973	1 44 00 921	1 55 75 620
Dibrugarh area T.E.	1 88 03 876	2 87 13 937	2 10 61 645
Doomdooma area T.E.	1 77 40 299	2 97 14 697	2 95 80 164
Margherita Tea Gas Grid	69 66 147	1 30 33 748	1 90 45 011
Tinsukia Tea Gas Grid	1 67 83 418	2 74 50 027	4 66 12 894
Jorhat-Golaghat Line T.E.	2 15 61 017	2 05 51 755	1 94 73 940
ASEB NRPP	3 14 257	3 14 257	59 99 581
Suspense a/c	( 29 21 390 )	( 22 04 724 )	( 3 65 706 )
NRL	12 02 96 623	13 47 59 617	11 73 01 058
	<b>81 96 66 878</b>	<b>91 62 16 012</b>	<b>79 08 31 344</b>
<i>(Unsecured and considered doubtful)</i>			
ASEB Namrup	0	0	63 77 935
Tea Gardens (Under Court Case)	7 74 97 447	7 58 56 026	53 28 646
DLF Project ( EIP Limited)	20 32 26 549	20 32 26 549	20 32 26 549
	<b>28 07 23 996</b>	<b>27 90 82 575</b>	<b>21 49 33 130</b>
	<b>110 03 90 874</b>	<b>119 52 98 587</b>	<b>100 57 64 474</b>
Less : Provision for Bad and doubtful debts	5 58 71 289	5 58 71 289	5 05 45 215
	<b>104 45 19 585</b>	<b>113 94 27 298</b>	<b>95 52 19 259</b>
<b>Sundry debtors - Age Analysis</b>			
Less than six months	40 32 01 785	61 15 47 632	60 32 52 781
More than six months	69 71 89 089	58 37 50 955	40 25 11 693
	<b>110 03 90 874</b>	<b>119 52 98 587</b>	<b>100 57 64 474</b>

  
**Chief Financial Officer**  
**Assam Gas Co. Ltd.**  
**P O Duliajan**

  
**Company Secretary**  
**Assam Gas Co. Ltd.**

  
**MANAGING DIRECTOR**  
**Assam Gas Company Ltd.**  
**Duliajan**

**DIN-07285877**

  
**Director**  
**Assam Gas Co. Ltd.**  
**Duliajan**

**DIN-07845004**



**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>11 FINANCIAL ASSETS - CASH &amp; CASH EQUIVALENTS</b>			
<b>a) Cash in hand:</b>			
With Head Office, Duliajan	2 04 060	5 44 763	7 87 186
With Officials (Imprest)	2 14 047	2 30 881	1 84 933
Cash at Guwahati Office	74 947	1 489	1 196
Cash at Silchar Office	6 017	39 422	12 913
	<u>4 99 071</u>	<u>8 16 555</u>	<u>9 86 228</u>
<b>b) Balances with Banks:</b>			
State Bank of India, Mathurapur	81 365	97 997	98 627
State Bank of India, Moran	4 97 163	8 35 146	7 92 650
State Bank of India, Nazira	96 671	1 04 477	3 99 026
State Bank of India, Duliajan,	34 25 270	1 06 62 140	1 35 97 631
State Bank of India, Sibsagar	3 75 462	2 35 651	12 56 152
State Bank of India, Dibrugarh	2 39 270	8 70 821	23 69 372
State Bank of India, Digboi	3 28 229	6 96 779	31 62 931
State Bank of India, Gargaon	75 946	1 02 848	29 04 320
State Bank of India, Silchar	19 969	10 216	4 893
State Bank of India, Tinsukia	8 96 469	10 15 083	5 30 163
State Bank of India, Duliajan (Dividend A/C)	176	1 671	4 576
State Bank of India, Duliajan (Domestic bills A/C)	16 619	0	0
United Bank of India, Duliajan	3 08 957	18 709	45 41 413
United Bank of India, Chawkidinghi, Dibrugarh	1 19 824	7 16 919	1 33 351
United Bank of India, Digboi	3 05 496	12 57 841	66 75 265
United Bank of India, Naharkatia	21 42 998	3 72 639	3 06 727
United Bank of India, Ledo	69 559	3 55 790	4 61 304
UCO Bank, Sibsagar	9 17 493	3 63 194	72 05 127
UCO Bank, Duliajan (Lien A/C)	85 484	3 50 165	6 74 548
Assam Co-Op Apex Bank Ltd. Duliajan (Non Schedule)	24 21 410	30 05 102	67 93 842
Allahabad Bank, Duliajan	1 09 70 624	1 72 34 819	9 13 283
Allahabad Bank, Dibrugarh (47)	6 84 581	30 27 681	14 89 172
Allahabad Bank, Sibsagar	4 87 334	20 64 427	28 93 333
Allahabad Bank, Tinsukia	6 63 653	16 16 323	84 55 027
Punjab National Bank, R.G.Baruah Rd, Guwahati	22 657	3 716	1 99 281
Canara Bank, Duliajan	1 54 624	27 679	5 09 242
Canara Bank, Titabar	3 86 124	14 891	0
Indian Bank, Dibrugarh	22 16 840	1 69 723	12 83 825
Vijaya Bank, Jorhat	5 15 011	12 63 258	41 86 852
Axis Bank, Duliajan	9 14 091	0	0
Central Bank of India, Margherita	10 00 446	25 36 054	63 58 790
	<u>3 04 40 015</u>	<u>4 90 31 759</u>	<u>7 82 00 723</u>
<b>Balances with banks in Deposit accounts:</b>			
Fixed Deposit With Scheduled Banks	404 53 22 176	300 40 95 142	287 79 48 057
Fixed Deposit With Non Scheduled Banks	1 29 16 514	1 20 36 661	1 11 72 854
	<u>405 82 38 690</u>	<u>301 61 31 803</u>	<u>288 91 20 911</u>
	<u>408 91 77 776</u>	<u>306 59 80 117</u>	<u>296 83 07 862</u>

*[Signature]*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Duliajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



*[Signature]*  
Company Secretary  
Assam Gas Company Ltd.

*[Signature]*  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM)**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>12 FINANCIAL ASSETS - SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured, considered good unless otherwise stated)			
a) Loans & advances to employees			
Advance to staff	2 58 22 956	2 49 39 599	2 77 02 091
	2 58 22 956	2 49 39 599	2 77 02 091
b) Prepaid expenses			
Pre-paid Insurance Premium	85 46 330	84 88 905	83 16 343
	85 46 330	84 88 905	83 16 343
c) Balance with Government Authorities			
Advance Income Tax	32 71 06 873	36 69 61 811	32 71 94 718
Tax deducted at source	5 75 15 303	5 30 41 097	5 03 29 823
Fringe Benefit Tax - Advance	14 89 298	14 89 298	14 89 298
Service Tax on Advances	55 28 100	48 79 243	22 43 714
CEN VAT (Service Tax)	99 64 403	84 31 931	89 95 205
	40 16 03 977	43 48 03 380	39 02 52 758
d) Other advances			
Advance to Contractors & Suppliers	87 21 349	1 59 85 824	2 14 25 487
(Less than 1 year	- Rs. 57 44 450)		
(More than 1 year Less than 3 years	- Rs. 1,44,297)		
AGC Staff Recreation Centre	50 000	43 000	65 000
AGCL Executive Club	88 500	63 000	0
AGCL Sarbajanin Namghar	80 000	0	0
Receivable from OIL	4 52 629	4 52 629	4 52 629
	93 92 476	1 65 44 453	2 19 43 116
	44 53 65 741	48 47 76 337	44 82 14 308
Unsecured and considered good	44 53 65 741	48 47 76 337	44 82 14 308
Unsecured and doubtful of recovery	0	0	0
	44 53 65 741	48 47 76 337	44 82 14 308

**13 OTHER CURRENT ASSETS**

Interest accrued on Fixed Deposit	11 92 35 660	10 46 44 073	13 81 83 438
	11 92 35 660	10 46 44 073	13 81 83 438

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan



  
MANAGING DIRECTOR  
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Duliajan

DIN-07285877

  
Director  
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**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
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**14 EQUITY SHARE CAPITAL :**

**AUTHORISED SHARE CAPITAL :**

20,00,000 Equity Shares of Rs. 100/- each	20 00 00 000	20 00 00 000	20 00 00 000
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**ISSUED, SUBSCRIBED, CALLED & PAID-UP :**

16,91,449 Equity shares of Rs. 100/- each, fully called and fully paid up (1691449 Equity Shares of Rs. 100/- each held by Govt. of Assam)	16 91 44 900	16 91 44 900	16 91 44 900
	16 91 44 900	16 91 44 900	16 91 44 900

**a) Reconciliation of shares outstanding at the beginning and at the end of Reporting period:**

<u>Equity Shares</u>	31-03-2017	31-03-2016	01-04-2015
Face Value of the Equity Shares (each)	100	100	100
No of Shares outstanding at the beginning of the year	16 91 44 9	16 91 44 9	16 91 44 9
Amount of Shares outstanding at the beginning of the year	16 91 44 900	16 91 44 900	16 91 44 900
No of Shares Issued during the year	0	0	0
Amount of Shares Issued during the year	0	0	0
No of Shares bought back during the year	0	0	0
Amount of Shares bought back during the year	0	0	0
No of Shares outstanding at the end of the year	16 91 44 9	16 91 44 9	16 91 44 9
Amount of Shares outstanding at the end of the year	16 91 44 900	16 91 44 900	16 91 44 900


**b) Terms and rights attached to equity shares**

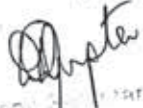
The Company has only class only one class of equity share per value of Rs. 100/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to approval by shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the

**c) Details of Shareholders holding more than 5% shares in the Company**

<u>Name of Shareholder</u>	31-03-2017	31-03-2016	01-04-2015
1. Governor of Assam			
- No of Shares held	16 91 44 9	16 91 44 9	16 91 44 9
- Percentage of Shares held	100%	100%	100%

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
Chairman  
Assam Gas Co. Ltd.

  
MANAGING DIRECTOR  
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Director  
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Duliajan


DIN-07845004




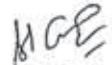
No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>15 OTHER EQUITY</b>		
Revaluation Reserves		
Opening balance	38 87 252	38 87 252
Add: Amount transferred from P&L	0	0
Less: Adjustment during the year	0	0
Closing balance	38 87 252	38 87 252
Capital Reserve		
Opening balance	69 10 823	69 10 823
Add: Amount transferred from P&L	0	0
Less: Adjustment during the year	0	0
Closing balance	69 10 823	69 10 823
General Reserve		
Opening balance	212674469	17 48 82 607
Add: Amount transferred from P&L	677 23 28 314	7 40 99 519
Less : Minority Interest	4 93 19 047	3 63 07 657
Closing balance	6935683736	212674469
Profit & Loss A/C		
Opening balance	597 43 12 019	527 89 20 715
Add: Depreciation written back due to change to SLM	0	0
Add: Amount transferred from P&L	80 78 56 331	76 02 21 218
Amount adjusted from others (Dividend Tax 2013-14)	0	0
Surplus in Associates - TNGCL	2 68 27 376	4 12 33 865
Amount available for appropriation	681 09 95 726	608 03 75 798
Appropriations:		
Dividend	3 08 45 990	2 59 28 990
Dividend Tax	73 21 422	60 35 270
Transfer to General Reserve account	677 23 28 314	7 40 99 519
Share of Minority Interest	0	0
Closing balance	5 00 000	597 43 12 019
	<b>694 69 81 811</b>	<b>619 77 84 563</b>
<b>16 MINORITY INTEREST</b>		
Value of Equity Shares in DNPL	81 95 00 000	81 95 00 000
Share of Capital Profits	17 20 10 206	12 26 91 159
Share of Revenue Profits	2 44 993	2 44 993
	<b>99 17 55 199</b>	<b>94 24 36 152</b>
<b>17 FINANCIAL LIABILITIES - BORROWINGS</b>		
Long term Loans / OIL	0	0
	<b>0</b>	<b>0</b>

  
 Chief Financial Officer  
 Assam Gas Co. Ltd.  
 P.O. Duliajan

  
 Managing Director  
 Assam Gas Company Ltd.  
 Duliajan  
 DIN-0728 5897

  
 Company Secretary  
 Assam Gas Company Ltd.

  
 Director  
 Assam Gas Company Ltd.


  
 Director  
 Assam Gas Co. Ltd.  
 Duliajan  
 DIN-0784 5006




ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).

NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)

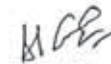
No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>18 FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES</b>		
<b>NON CURRENT FINANCIAL LIABILITIES</b>		
(i) <u>Security Deposit From Domestic Consumers</u>		
Duliajan Gas Grid	88 07 630	83 46 350
Sibsagar Gas Grid	67 88 026	66 51 526
Moran Gas Grid	41 86 500	41 26 000
Nazira/Simaluguri Gas Grid	34 04 300	33 38 800
Digboi Gas Grid	35 43 240	34 42 240
Dibrugarh Gas Grid	1 40 13 156	1 29 92 031
Naharkatia Domestic Grid	11 21 000	11 06 000
Margerita Domestic Grid	26 50 320	25 54 880
Jorhat Domestic Grid	29 34 300	24 87 800
Ledo Domestic Grid	5 09 200	4 94 200
Tinsukia Domestic Grid	94 17 623	85 95 973
Tilabar Domestic Grid	49 500	0
Domestic Consumers ( Materials cost)	1 65 90 000	1 09 20 472
	<b>7 40 14 795</b>	<b>6 50 56 272</b>
(ii) <u>SECURITY DEPOSIT FROM T.E. &amp; OTHERS:</u>		
Tea Estates/Gardens/consumers	4 05 18 430	3 70 44 145
Duliajan College	1 000	1 000
	<b>4 05 19 430</b>	<b>3 70 45 145</b>
(iii) <u>ADDITIONAL DEPOSIT FROM T.E. AND OTHERS:</u>		
Tea Gardens	40 77 25 608	40 69 87 737
T.E. (Capital Cost)	5 25 000	5 25 000
Adv. For Transportation Charges (Non current)	1 04 94 362	1 44 96 203
	<b>41 87 44 970</b>	<b>42 20 08 940</b>
(iv) <u>Suspense Receivable</u>	0	0
	<b>0</b>	<b>0</b>
(A)	<b>53 32 79 195</b>	<b>52 41 10 357</b>
<b>CURRENT FINANCIAL LIABILITIES</b>		
Security Deposit from Contractors	1 63 16 796	1 96 27 349
Earnest Money	91 26 628	73 22 946
Advance against project - NRPP diversion (PWD Assam)	4 55 11 380	41 50 000
T.E. (Gas Meter)	20 00 001	57 19 741
Advance for Transportation Charges (current)	47 18 300	45 59 086
Deposit from customers	67 87 002	47 16 128
(B)	<b>8 44 60 107</b>	<b>4 60 95 250</b>
(A+B)	<b>61 77 39 302</b>	<b>57 02 05 607</b>

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P.O. Duliajan

  
Company Secretary  
Assam Gas Company Ltd.

  
Managing Director  
Assam Gas Company Ltd.  
Duliajan  
DIN - 07285899

  
Director  
Assam Gas Company Ltd.  
DULIAJAN

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN - 07845004





**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
<b>19 DEFERRED TAX LIABILITY (Net)</b>			
Deferred Tax Liability			
Difference of Booked Depreciation and Tax Depreciation	48 46 85 009	44 52 65 731	39 17 88 256
Deferred Tax Assets	38,093,758	11 22 23 599	14 84 17 997
<b>Net Deferred Tax Liability</b>	<b>44 65 91 251</b>	<b>33 30 42 132</b>	<b>24 33 70 259</b>

**20 NON CURRENT LIABILITIES - PROVISIONS**

OL for Superannuation benefits of employees	18 65 016	17 11 661	1 79 00 000
	<b>18 65 016</b>	<b>17 11 661</b>	<b>1 79 00 000</b>

**21 FINANCIAL LIABILITIES - TRADE PAYABLES**

Oil India Ltd., Duliajan	6 19 05 342	10 52 63 375	7 40 44 366
ONGC, Sibsaigar	16 03 86 598	16 71 72 958	19 56 69 297
	<b>22 22 91 940</b>	<b>27 24 36 333</b>	<b>26 97 13 663</b>

To the extent company has received intimation from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprise Development Act 2006, they are not covered under the aforesaid Act.

**22 OTHER CURRENT LIABILITIES**

**(i) STATUTORY LIABILITIES:**

Staff Professional Tax	84 324	86 149	85 401
Employees Income Tax deducted at source	44 60 536	93 22 787	36 29 672
Contractors' Income Tax	18 68 591	14 43 862	13 31 190
Salary Savings Scheme	11 08 923	10 95 576	9 98 670
Recurring Deposit (Staff)	30 500	30 500	26 000
Group Savings Link Insurance	1 50 218	72 881	70 841
Assam Sales Tax	69 702	69 702	69 702
Provident Fund Recovery	54 30 248	50 87 434	48 45 870
VAT (Value added tax)	6 68 313	6 01 082	7 16 300
VAT on Natural Gas	53 87 219	1 18 32 166	93 72 424
	<b>1 94 58 574</b>	<b>2 96 42 139</b>	<b>2 11 46 070</b>

  
**Chief Financial Officer**  
**Assam Gas Co. Ltd.**  
**P O Duliajan**

  
**MANAGING DIRECTOR**  
**Assam Gas Company Ltd.**  
**Duliajan**  
**DIN-07285877**



  
**Director**  
**Assam Gas Co. Ltd.**  
**Duliajan**  
**DIN-07845004**

**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
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(OTHER CURRENT LIABILITIES - continued)

**(II) OTHER LIABILITY**

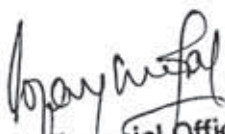
AGCL Staff Co-op. Society	3 29 917	3 41 108	3 45 806
AGCL Tea Canteen	79 573	42 460	41 156
AGCL Executive Club	68 194	29 265	36 337
AGCL Staff Recreation Centre	11 663	11 643	11 193
KWH Pipes (India) Ltd.	1 20 100	1 20 100	1 20 100
Outstanding Liabilities for expenses	16 26 52 642	17 95 08 690	10 58 31 922
	<b>16 32 62 089</b>	<b>18 00 53 266</b>	<b>10 63 86 514</b>

**(III) CURRENT MATURITIES OF LONG TERM LOAN**

	13 951	24 00 00 000
0	13,951	240,000,000
	<b>18 27 20 663</b>	<b>20 97 09 356</b>

**23 CURRENT LIABILITIES - PROVISIONS**

Provision for Income Tax/FBT	35 90 64 568	34 62 64 806	30 08 40 749
Provision of Service Tax on TC/GM Maint bills	1 06 90 743	1 17 76 751	75 32 458
	<b>36 97 55 311</b>	<b>35 80 41 557</b>	<b>30 83 73 207</b>

  
**Chief Financial Officer**  
**Assam Gas Co. Ltd.**  
**P O Dullajan**

  
**MANAGING DIRECTOR**  
**Assam Gas Company Ltd.**  
**Dullajan**  
**DIN-07285877**



  
**Director**  
**Assam Gas Co. Ltd.**  
**Dullajan**  
**DIN-07845004**

**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>24 REVENUE FROM OPERATIONS</b>		
a) Gas Sales	113 67 53 648	176 41 15 934
Less: VAT on Gas Sales	14 39 73 748	22 33 95 108
	<u>99 27 79 900</u>	<u>154 07 20 826</u>
b) Operating Income(Transmission Charges)	206 87 88 760	205 91 31 297
Less: Service Tax on TC	18 23 46 963	17 58 14 548
	<u>188 64 41 797</u>	<u>188 33 16 749</u>
	<u>287 92 21 697</u>	<u>342 40 37 575</u>
<b>25 OTHER INCOME</b>		
Interest on Fixed Deposit	25 59 22 845	27 76 80 190
Interest on Loan to DNP Limited		
Minimum Demand Charges ( Gas)	3 87 83 041	3 48 10 109
Minimum Demand Charges ( TC)	8 83 74 533	4 70 58 439
Interest on Delay payment	1 00 54 304	1 08 54 900
Interest from Employees on Loan	10 75 280	14 09 271
Dividend Income from Investment		
Sale of Materials	17 74 676	3 90 165
Service charges	11 95 700	9 70 700
Compensation Charges	20 35 450	5 23 918
Guest House Charge realised	1 10 391	1 38 740
House rent realised from employees	8 25 455	8 06 649
Gas Charges realised from employees	88 842	88 470
Miscellaneous receipts	1 62 80 901	1 46 74 082
Income from works contracts	30 25 570	3 14 656
House rent realised from OTHERS	15 90 922	0
Profit on sale of assets	51 923	0
Inventory provision written back	92 56 056	7 438
	<u>43 04 45 889</u>	<u>38 97 27 727</u>
<b>26 PURCHASES OF STOCK IN TRADE</b>		
Gas Purchases	93 86 00 163	146 47 00 131
	<u>93 86 00 163</u>	<u>146 47 00 131</u>

  
Chief Financial Officer  
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P O Duliajan

  
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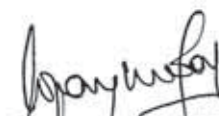
  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



**ASSAM GAS COMPANY LIMITED**  
**DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.		AS AT 31-03-2017	AS AT 31-03-2016
27	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	<b>(a) EMPLOYEES REMUNERATION &amp; BENEFITS:</b>		
	Salary & Wages	37 81 92 920	36 08 49 450
	Providend Fund / Pension Fund Contribution	3 31 34 121	3 10 73 049
	Arrear D.A.	0	21 92 357
	Bonus & Exgratia to Employees	1 53 60 752	88 00 000
	Ex-Gratia on Death of Employees	40 000	40 000
	Employees Training Expenses	4 25 311	15 00 841
	Group Gratuity Scheme	93 96 381	1 70 15 622
	Welfare Expenses for Employee	20 37 756	18 84 837
	Medical Expenses	98 76 189	1 33 59 621
	Leave Travel Assistance	10 86 886	8 95 334
	Leave Travel Concession	5 28 912	4 99 285
	Retirement Journey Benefits	99 960	2 09 800
	Group Superannuation Scheme	26 08 582	24 43 485
	VRS & Premature Settlement Scheme	6 44 706	5 17 069
		<b>45 34 32 476</b>	<b>44 12 80 750</b>
	<b>(b) MD'S REMUNERATION &amp; BENEFITS</b>		
	Remuneration	17 67 972	16 59 054
	Providend/Pension Fund	1 79 388	1 70 676
		<b>19 47 360</b>	<b>18 29 730</b>
		<b>45 53 79 836</b>	<b>44 31 10 480</b>
28	<b>FINANCE COSTS</b>		
	Interest on Loan		8 36 22 000
	Interest on Deposit & Advance	1 70 32 260	1 41 08 495
		<b>1 70 32 260</b>	<b>9 77 30 495</b>
29	<b>OTHER EXPENSES</b>		
	<b>a) POWER &amp; FUEL / COMPRESSION CHARGES</b>		
	Electricity Charges	52 86 602	44 63 589
	Compressor Gas Fuel Expenses	7 24 37 047	8 74 47 056
	Gas Compression charges	89 42 979	1 87 14 024
		<b>8 66 66 628</b>	<b>11 06 24 669</b>
	<b>(b) RATES &amp; TAXES:</b>		
	Fees & Fines	48 36 448	51 39 565
	Rent, Rates & Taxes	7 96 908	7 17 636
	Company's Professional Tax	2 500	2 500
	Interest on Service Tax	0	6 25 930
		<b>56 35 856</b>	<b>64 85 631</b>

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
Company Secretary  
Assam Gas Company Ltd.

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan  
DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004



**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>(c) OTHER OPERATING EXPENSES:</b>		
P.F. Administrative Expenses	23 04 647	21 70 317
Deposit Linked Insurance	9 23 448	10 67 287
Stipend to Trainees	10 34 941	11 21 907
MD's office Expenses	64 517	72 716
Guwahati office expenses	1 97 590	9 24 654
Printing & Stationery	45 90 437	24 40 370
Postage & Telegrams	1 13 366	1 42 072
Telephone charges	4 82 031	3 87 293
Vehicle Hire charges	83 82 883	86 68 141
Vehicle running expenses	42 76 985	43 37 501
Liveries	3 58 800	4 83 471
Advertisement	58 53 206	53 04 103
Bank charges	21 02 546	13 06 967
Legal expenses	58 27 104	54 12 123
Insurance premium	1 57 61 266	1 56 05 447
House rent	31 34 036	16 91 527
Books, Maps & periodicals	1 93 168	2 30 923
Carriage, Cartage & Freight	10 61 120	1 10 131
Meeting expenses	1 58 254	5 93 938
Donation & Subscription	30 80 787	50 32 953
Exhibition & Business development expenses	4 70 774	1 32 333
Miscellaneous Expenses	52 10 594	44 85 785
Guest House Expenses	2 83 485	7 38 687
Tools & Plants Consumed	1 92 560	1 02 180
Company's Celebration expenses	12 20 220	7 41 172
Sanitary Expenses	1 47 558	1 36 459
Land Survey Expenses	21 410	10 195
Compensation paid	7 70 000	41 393
Consultancy charges	1 60 000	9 10 979
Gas loss on transmission	1 65 92 886	2 64 81 159
Meter reading expenses	17 88 037	21 26 286
Loss on accident	69 02 475	0
Compensation paid on Fire Accident	0	33 45 353
Discount/ Rebate (net)	2 46 088	( 2 52 995 )
CSR expenses	1 23 15 954	57 56 463
Bad debts - written off	0	31 30 994
Provision for bad and doubtful debts	0	53 26 074
Interest on Entry Tax	1 28 39 292	0
Loss on sale of inventory	64 67 743	0
	<b>12 55 30 206</b>	<b>11 03 16 358</b>
<b>(d) TRAVELLING EXPENSES:</b>		
Employees	78 39 996	74 91 600
Managing Director	8 67 039	8 73 440
Director's	4 38 943	9 066
Candidates/others	3 01 569	1 90 337
	<b>94 67 547</b>	<b>85 64 443</b>

*[Signature]*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



*[Signature]*  
Assam Gas Co. Ltd.

*[Signature]*  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

**ASSAM GAS COMPANY LIMITED  
DULIAJAN, (ASSAM).**

**NOTES ON CONSOLIDATED ACCOUNTS -2016-17 (continued)**

No.	AS AT 31-03-2017	AS AT 31-03-2016
<b>(e) AUDIT FEE &amp; EXPENSES:</b>		
Statutory Audit Fee	1 40 200	1 40 000
Statutory Auditor's Fees for other services	40 000	40 000
Statutory Auditor's expenses	92 551	77 500
Cost Audit Fee	80 000	80 000
Fees & expenses to Tax Consultant	1 32 375	2 04 277
Fees to other Auditors (Other services)	1 00 000	60 000
Audit expenses for others	30 225	66 062
	<b>6 15 351</b>	<b>6 67 839</b>
<b>(f) CHAIRMAN'S EXPENSES:</b>		
Travelling expenses	460	2 75 420
Office expenses	27 976	9 75 843
Honorarium	0	12 548
	<b>28 436</b>	<b>12 63 811</b>
<b>(g) REPAIRS &amp; MAINTENANCE</b>		
Compressor	4 78 78 111	4 67 30 334
Pipelines	5 12 46 169	4 54 44 760
Gas Meter	20 87 556	11 37 637
Building	78 34 717	1 04 24 357
Vehicles	3 74 027	3 26 589
Colony	5 54 312	7 41 596
Compressor Station	4 86 711	1 60 004
Electrical Installation	30 21 142	45 17 551
Roads & Drains	17 09 040	17 02 792
Water Supply	10 71 357	13 12 848
EDP System	19 84 386	14 82 741
Plant & Machinery	4 74 969	1 29 912
Domestic Gas Lines	27 71 207	10 94 854
Other Assets	20 22 629	26 56 004
	<b>12 35 16 333</b>	<b>11 78 61 979</b>
	<b>35 14 60 357</b>	<b>35 57 84 730</b>

*[Signature]*  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan  
DIN-07285877



*[Signature]*


*[Signature]*  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



30 Current Tax for the year 2016-17 including the Tax adjustment (net) for the earlier periods has been provided at Rs.42 67 88 190/- as against Rs.39 08 95 184/- for the year 2015-16).

31 Earnings Per Equity Share

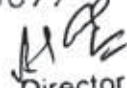
<u>Equity Shares</u>	31-03-2017	31-03-2016	01-04-2015
Face Value of the Equity Shares (each)	100	100	100
Net Profit as per Profit & Loss account available to Equity Shareholders	80 78 56 331	76 02 21 218	59 53 33 734
Weighted Number of Equity Shares outstanding during the year	1,691,449	1,691,449	1,691,449
Basic Earnings Per Share (Rs.)	478	449	352
Diluted Earnings Per Share (Rs.)	478	449	352

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Dullajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Dullajan



DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Dullajan  
DIN-07845004

No.

32 Financial Instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		(Amount in Rs.)					
March 31, 2017	Mandatorily at FVTPL	Carrying amount		Fair value			
		FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Cash and cash equivalents			408 91 77 776	408 91 77 776			
Trade receivables			104 45 19 585	104 45 19 585			
Short-term loans and advances			44 53 65 741	44 53 65 741			
			557 90 63 102	557 90 63 102			
<b>Financial liabilities</b>							
Deposit from Customer	53 99 97 496			53 99 97 496		53 99 97 496	53 99 97 496
Trade and other payables			22 22 91 940	22 22 91 940			
Other current financial liabilities			7 77 41 806	7 77 41 806			
	53 99 97 496		30 00 33 746	84 00 31 242		53 99 97 496	53 99 97 496

*[Signature]*

Chief Financial Officer  
Assam Gas Co. Ltd.  
P O Duliajan

*[Signature]*  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07285877  
DIN-07845004



## ASSAM GAS COMPANY LIMITED

(Financial Instruments – Fair values and risk management (continued) )

NOTES ON CONSOLIDATED ACCOUNTS - 2016-17 (continued)

March 31, 2015	Mandatorily at FVTPL	FVTOCI - designated as such	Carrying amount Amortised Cost	Total	Level 1	Level 2	Fair value Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents			306 59 80 117	306 59 80 117				
Trade receivables			113 94 27 298	113 94 27 298				
Short-term loans and advances			48 47 76 337	48 47 76 337				
			469 01 83 752	469 01 83 752				
<b>Financial liabilities</b>								
Deposit from Customer	53 43 89 184			53 43 89 184		53 43 89 184		53 43 89 184
Trade and other payables			27 24 36 333	27 24 36 333				
Other current financial liabilities			3 58 16 423	3 58 16 423				
	53 43 89 184		30 82 52 756	84 26 41 940		53 43 89 184		53 43 89 184
<b>April 1, 2015</b>	<b>Mandatorily at FVTPL</b>	<b>FVTOCI - designated as such</b>	<b>Carrying amount Amortised Cost</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Fair value Level 3</b>	<b>Total</b>
<b>Financial assets</b>								
Cash and cash equivalents			296 83 07 862	296 83 07 862				
Trade receivables			95 52 19 259	95 52 19 259				
Short-term loans and advances			44 82 14 308	44 82 14 308				
			392 35 27 121	392 35 27 121				
<b>Financial liabilities</b>								
Deposit from Customer	38 91 37 202			38 91 37 202		38 91 37 202		38 91 37 202
Trade and other payables			26 97 13 663	26 97 13 663				
Other current financial liabilities			3 07 03 520	3 07 03 520				
	38 91 37 202		30 04 17 183	68 95 54 385		38 91 37 202		38 91 37 202



*Signature*  
 Chief Financial Officer  
 Assam Gas Co. Ltd.  
 P.O. Duliajan

*Signature*  
 MCE

MANAGING DIRECTOR  
 Assam Gas Company Ltd.  
 Duliajan  
 DIN-07285877 Assam Gas Co. Ltd.  
 Duliajan  
 21.11.16 19.4.5064



( C. Financial risk management (continued) )

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company

(Amount in Rupees)

31-Mar-17	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	-	-	-
Past due 1-90 days	29 52 21 185	-	-
More than 90 days	74 92 98 400	-	-
	104 45 19 585	-	-

(Amount in Rupees)

31-Mar-16	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	-	-	-
Past due 1-90 days	44 90 28 499	-	-
More than 90 days	69 03 98 799	-	-
	113 94 27 298	-	-

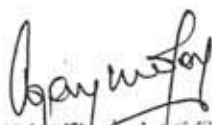
(Amount in Rupees)

31st March, 2015	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	-	-	-
Past due 1-90 days	40 67 53 941	-	-
More than 90 days	54 84 65 318	-	-
	95 52 19 259	-	-

Cash and cash equivalents

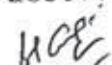
The Company held cash and cash equivalents of Rs.2 96 83 07 862/- as on 1st April 2015, Rs.3 06 59 80 117/- as at 31st March 2016 and Rs.4 08 91 77 776/- as at March 31, 2017. The cash and cash equivalents are held with banks with good credit ratings. The Company also invests its short term surplus funds in bank fixed deposit, which carry no/low mark to market risks for short duration therefore does not expose the company to credit risk.

Other than trade and other receivables, the Company has no other material Financial Assets that are past due but not impaired.

  
Managing Director  
Assam Gas Co. Ltd.  
P.O. Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd.  
Duliajan

DIN-07285877

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004



33. Balance Sheet

i. Equity Share Capital

Equity Share Capital of the Company in the consolidated financial statements are exclusive of the equity share capital of the subsidiary company and its associates, the details of which are furnished below :

a. Subsidiary Company (DNP Limited)

Authorised Capital :	AS AT 31-03-2017	AS AT 31-03-2016
17 00 00 000 equity shares of Rs.10/- each	170 00 00 000	170 00 00 000
Issued, subscribed and paid up :		
16 72 50 000 equity shares of Rs.10/- each	167 25 00 000	167 25 00 000

Terms / rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.

Shares held by Holding Company

Out of the equity shares issued by the company, shares held by the Holding company (Assam Gas Company Limited, with nominees) is as below.

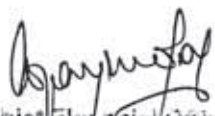
	AS AT 31-03-2017	AS AT 31-03-2016
8 53 00 000 equity shares of Rs.10/- each	85 30 00 000	85 30 00 000

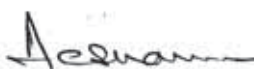
Details of share holders' holding in the Company

Name of the shareholder	AS AT 31-03-2017		AS AT 31-03-2016	
	Number	% of holding	Number	% of holding
Assam Gas Company Limited (wit nominees)	8 53 00 000	51%	8 53 00 000	51%
Numaligarh Refinery Limited	4 34 90 000	26%	4 34 90 000	26%
Oil India Limited	3 84 60 000	23%	3 84 60 000	23%

b. Associated Company (Tripura Natural Gas Co. Limited)

Authorised Capital :	AS AT 31-03-2017	AS AT 31-03-2016
10 00 000 equity shares of Rs.100/- each	10 00 00 000	100 00 00 000
Issued, subscribed and paid up :		
3 92 000 equity shares of Rs.100/- each	3 92 00 000	3 92 00 000

  
Chief Financial Officer  
Assam Gas Co. Ltd.  
Duliajan

  
MANAGING DIRECTOR  
Assam Gas Company Ltd  
Duliajan

DIN-07285877



  
Company Secretary  
Assam Gas Company Ltd

  
Director  
Assam Gas Co. Ltd.  
Duliajan  
DIN-07845004

## INDEPENDENT AUDITOR'S REPORT

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of DNP Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies



used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

#### **Incoming auditor to audit comparative information for adjustments to transition to Ind AS**

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 5th May, 2016 and 19th May, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) Provisions of Section 164(2) of the Act regarding director's disqualification is not

applicable vide notification F. No. 1/2/2014-CL. V dated 5th June, 2015 of Ministry of Corporate Affairs.

- (f) With respect of the adequacy of the internal financial controls over financial reporting of the company and the operative effectiveness of such controls, refer to our separate Report in “Annexure-B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements ;
  - ii. The Company has made provision, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company did not have any holding of Specified Bank Notes (SBN) and other denomination notes during the period from 8th November, 2016 to 30th December, 2016 as provided in note no. 35 of audited statement of accounts.

For **KANOI ASSOCIATES**  
Chartered Accountants  
ICAI Regn. No: 309 101E

Sd/-  
**(AAKASH AGA RWALLA)**  
Partner  
M. No: 058427

Place : Dibrugarh  
Date : 18th May, 2017

**The Annexure-A referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of DNP Limited, Duliajan for the year ended on 31st March, 2017. We report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The major items of fixed assets have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
- (c) Free hold land owned by the company as on 31.03.2017 stands at 54B-4K-15.43L (including 7B-3K-6.56L allotted by Govt. of Assam) out of which mutation is pending for 16B-4K-16.43L.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a), (b) & (c) of clause (iii) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 in respect of Loans, Investment, Guarantees and Securities.
- (v) The Company has not accepted any deposits from the public, therefore the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products/providing of services, to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other statutory dues wherever applicable and no undisputed amounts payable in respect of above referred statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, there are no dues outstanding in respect of income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax on account of any dispute other than a Service Tax demand of Rs.11.14 lac (excluding penalty and interest) received from the office of the Commissioner of Central Excise & Service Tax, Dibrugarh vide their Order dated 31/03/2015 which has been disclosed under Note No. 33 of Financial Statement as Contingent Liability.



- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (ix) According to the information and explanations given to us and the records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which the loans were obtained.
- (x) Based on the audit procedures performed and the representation obtained from the management, we report that no case of fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and the records examined by us, the Company's managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014 as such this clause is not applicable to the company.
- (xiii) According to the information and explanations given to us and the records examined by us, the Company's transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and the records examined by us, the Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as such this clause is not applicable to the company.
- (xv) According to the information and explanations given to us and the records examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as such this clause is not applicable to the company.

For **KANOI ASSOCIATES**  
Chartered Accountants  
ICAI Regn. No: 309 101E

Sd/-  
**(AAKASH AGARWALLA)**  
Partner  
M. No: 058427

Place : Dibrugarh  
Date : 18th May, 2017

## **ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DNP LIMITED, DULIAJAN**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of DNP Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KANOI ASSOCIATES**  
Chartered Accountants  
ICAI Regn. No: 309 101E

Sd/-  
**(AAKASH AGA RWALLA)**  
Partner  
M. No: 058427

Place : Dibrugarh  
Date : 18th May, 2017



## **Comments Of The Comptroller And Auditor General Of India Under Section 143(6)(B) Of The Companies Act, 2013 On The Financial Statements of DNP Ltd. (DNPL) For The Year Ended 31 March 2017**

The preparation of financial statements of **DNP Ltd. (DNPL)**, for the year ended **31<sup>st</sup> March, 2017**, in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the company. The statutory auditor, appointed by the Comptroller and Auditor General of India, under section 139(5) of the Act, is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit, in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them, vide their Audit Report dated 18 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit, under section 143(6)(a) of the Act of the financial statements of **DNP Ltd. (DNPL)**, for the year ended **31<sup>st</sup> March, 2017**. This supplementary audit has been carried out independently, without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

**For and on the behalf of the  
Comptroller and Auditor General of India**

**Place: Guwahati  
Date: 17/08/2017**

Sd/-  
**(RASHMI AGGARWAL)**  
**Accountant General (Audit), Assam**

## BALANCE SHEET AS AT MARCH 31, 2017

₹ in thousands

Particulars	Note No	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
<b>I. ASSETS</b>				
<b>1 Non-current Assets</b>				
a. Property, Plant and Equipment	4	2,570,941	2,660,526	2,810,106
b. Intangible assets under development	5	90	90	90
c. Other non-current assets	6	872	872	872
		2,571,903	2,661,488	2,811,068
<b>2 Current Assets</b>				
a. Inventories	7	50,173	32,796	27,253
b. Financial Assets				
(i) Trade Receivables	8	120,297	134,760	117,301
(ii) Cash and Cash Equivalents	9	133,592	69,801	43,480
c. Current Tax Assets (Net)	10	3,271	1,088	2,632
d. Other current assets	11	7,276	21,608	25,253
		3,14,609	2,60,053	2,15,919
<b>TOTAL ASSETS</b>		28,86,512	29,21,541	30,26,987
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
a. Equity Share Capital	12	1,672,500	1,672,500	1,672,500
b. Other Equity	13	351,551	250,897	176,798
		2,024,051	1,923,397	1,849,298
<b>LIABILITIES</b>				
<b>2 Non-current Liabilities</b>				
a. Financial Liabilities				
(i) Borrowings	14	108,000	378,000	648,000
(ii) Other financial liabilities	15	19,988	22,176	23,721
b. Deferred Tax Liabilities (Net)	16	374,397	267,465	186,030
		5,02,385	6,67,641	8,57,751
<b>3 Current Liabilities</b>				
a. Financial Liabilities				
(i) Trade payables	17	28,133	40,326	57,559
(ii) Other financial liabilities	15	328,552	279,455	248,376
b. Other Current Liabilities	18	3,388	10,722	14,000
c. Provisions	19	3	-	3
		360,076	330,503	319,938
<b>TOTAL EQUITY AND LIABILITIES</b>		2,886,512	2,921,541	3,026,987

Corporate Information & Significant Accounting Policies **1 & 2**

Notes to Financial Statement **3 - 34**

The accompanying notes are an integral part of these financial statements.

In terms of our Report of even date attached

**For and on behalf of Kanoi Associates**

Chartered Accountants

Firm Reg. No. 309101E

Sd/-

**(CA. Aakash Agarwalla)**

Membership No. 058427

**For and on behalf of the Board**

Sd/-

**A. K. Sharma**

Director

DIN-07285877

Sd/-

**S. K. Barua**

Director

DIN-06503943

Camp: Guwahati

Date: 18-05-2017

Place: Guwahati

Date: 18-05-2017

Sd/-

**N. C. Adhikary**

Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in thousands

Particulars		Note No	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
I	Revenues from Operations	20	665,080	628,329
II	Other Income	21	19,823	6,615
III	Total Revenue (I+II)		684,904	634,944
IV	Expenses :			
	Employee Benefits Expense	22	30,048	31,442
	Finance Costs	23	54,460	91,099
	Depreciation and Amortisation	4	136,967	153,792
	Other Expenses	24	149,491	132,919
	Total Expenses		370,966	409,252
V	Profit before exceptional and extraordinary items and tax (III-IV)		313,938	225,692
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		313,938	225,692
VIII	Extraordinary Items	25	6,902	-
IX	Profit before tax (VII- VIII)		307,035	225,692
X	Tax Expense:			
	1. Current tax (MAT Payable)		65,228	48,015
	2. Deferred tax	16	106,932	81,435
XI	Profit (Loss) for the period from continuing operations (IX - X)		134,875	96,242
XII	Profit/(loss) from discontinued operations		-	-
XIII	Tax expense of discontinued operations		-	-
XIV	Profit/(loss) from Discontinued operations (after tax) (XII-XIII)		-	-
XV	Profit/(loss) for the period (XI+XIV)		134,875	96,242
XVI	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVII	Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		134,875	96,242
XVIII	Earnings per equity share (for continuing operations) [Equity Shares of Rs. 10/- each]	28		
	1. Basic		0.81	0.58
	2. Diluted		0.81	0.58

Corporate Information & Significant Accounting Policies **1&2**

Notes to Financial Statement **3-34**

The accompanying notes are an integral part of these financial statements.

In terms of our Report of even date attached

### For and on behalf of Kanoi Associates

Chartered Accountants

Firm Reg. No. 309101E

Sd/-

(CA. Aakash Agarwalla)

Membership No. 058427

Camp: Guwahati

Date: 18-05-2017

### For and on behalf of the Board

Sd/-

A. K. Sharma

Director

DIN-07285877

Sd/-

S. K. Barua

Director

DIN-06503943

Sd/-

N. C. Adhikary

Company Secretary

Place: Guwahati

Date: 18-05-2017



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Particulars	Equity Share Capital	Reserves and Surplus					Other Equity		Total
		Equity component of compound financial instruments	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	
Balance at 01-Apr-16	1,672,500				250,397	500			250,897
Changes in accounting policy or prior period errors									-
Restated balance at the beginning of the reporting period	1,672,500				250,397	500			250,897
Total Comprehensive Income for the year						134,875			134,875
Dividends						(28,433)			(28,433)
Transfer to retained earnings					100,654	(100,654)			-
Tax on Distribution Profits						(5,788)			(5,788)
Balance at 31-Mar-17	1,672,500				351,051	500			351,551

Corporate Information & Significant Accounting Policies **1 & 2**Notes to Financial Statement **3 - 34**

The accompanying notes are an integral part of these financial statements.

In terms of our Report of even date attached

**For and on behalf of Kanoi Associates**Chartered Accountants  
Firm Reg. No. 309101ESd/-  
**(CA. Aakash Agarwalla)**  
Membership No. 058427Camp: Guwahati  
Date: 18-05-2017**For and on behalf of the Board**Sd/-  
**A. K. Sharma**  
Director  
DIN-07285877Sd/-  
**S. K. Barua**  
Director  
DIN-06503943Place: Guwahati  
Date: 18-05-2017Sd/-  
**N. C. Adhikary**  
Company Secretary

## CASH FLOW STATEMENT FOR THE PERIOD ENDED

		₹ in thousands	₹ in thousands
		31-Mar-17	31-Mar-16
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
NET PROFIT BEFORE TAX BEFORE EXTRA-ORDINARY ITEMS			
AND PRIOR PERIOD ITEMS		313,938	225,692
ADD ADJUSTMENTS FOR			
Impact on Fair Valuation of Financial Instruments	(117)		(299)
Provision for Project Surplus Material/ Inventory	(9,256)		-
Depreciation	136,967		153,792
Interest paid	52,459	180,053	89,280
		493,991	468,465
LESS ADJUSTMENTS FOR			
Interest / Dividend / Brokerage Income		10,219	5,685
Other Non Cash Items		-	-
Operating profit before working capital changes		483,771	462,780
ADJUSTMENTS FOR			
Trade and other receivables	29,078		(13,712)
Inventories	(8,121)		(5,543)
Trade and other payables	27,697		12,627
Cash generated from operations (Before Extra Ordinary Items)		48,654	(6,628)
Extra Ordinary Item (Loss on account of Fire)		(6,902)	
Direct taxes paid		(67,410)	(46,471)
NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)		458,113	409,681
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
a) PURCHASE OF FIXED ASSETS		(47,577)	(7,520)
b) INVESTMENT IN FIXED DEPOSITS		(15,075)	
c) INTEREST ON FIXED DEPOSITS		9,936	5,583
NET CASH FROM INVESTING ACTIVITIES		(52,716)	(1,937)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
a) INTEREST PAID		(52,459)	(89,280)
b) ISSUE OF SHARE CAPITAL		-	-
c) SECURED LOAN		-	-
d) UNSECURED LOAN		(270,000)	(270,000)
e) PAYMENT OF DIVIDEND AND DIVIDEND TAX		(34,221)	(22,143)
NET CASH FROM FINANCING ACTIVITIES		(356,680)	(381,423)
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENT</b>		48,717	26,321
<b>E. CASH AND CASH EQUIVALENT CONSISTS OF :</b>			
a) CLOSING CASH AND CASH EQUIVALENT			
i) Cash and Bank Balance		870	9,274
ii) Short Term Deposit with Banks		117,647	60,527
b) LESS : OPENING CASH AND CASH EQUIVALENT			
i) Cash and Bank Balance		9,274	13,375
ii) Short Term Deposit with Banks		60,527	30,105
<b>F. INCREASE IN CASH AND CASH EQUIVALENT</b>		48,717	26,321

In terms of our Report of even date attached

### For and on behalf of Kanoi Associates

Chartered Accountants  
Firm Reg. No. 309101E  
Sd/-  
**(CA. Aakash Agarwalla)**  
Membership No. 058427

Camp: Guwahati  
Date: 18-05-2017

### For and on behalf of the Board

Sd/-  
**A. K. Sharma**  
Director  
DIN-07285877

Sd/-  
**S. K. Barua**  
Director  
DIN-06503943

Sd/-  
**N. C. Adhikary**  
Company Secretary

Place: Guwahati  
Date: 18-05-2017



## **1. CORPORATE INFORMATION**

DNP Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. At present the Registered Office of the Company is situated at Adams Plaza, 1<sup>st</sup> Floor, Christian Basti, G.S. Road, Guwahati, Assam and the Operational Office is situated at AGCL Campus, Duliajan, Assam.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis for preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note no. 3.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### **C. Property, Plant and Equipment**

#### **a) Land**

Land acquired on outright purchase / perpetual lease basis are treated as free hold Land at cost plus incurred incidental expenses.

#### **b) Fixed Asset other than Land**

Fixed Assets are valued in accordance with Ind AS-16- Property, Plant and Equipment at cost on consistent basis inclusive of incidental expenses related thereto. Spare parts, stand-by equipment and servicing equipment being tangible items which are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one year are

capitalized to the item of fixed assets to which it is related. The Company considers spare parts, stand-by equipment and servicing equipment costing ₹ 1,000 thousand or more as such tangible items to be capitalized.

**c) Intangible Assets:**

Intangible assets are recognized on the basis of recognition criteria as set out in Indian Accounting Standard Ind AS 38- Intangible Assets.

Expenditure incurred for creating / acquiring intangible assets from which future economic benefits will flow over a period of time, are amortised over the estimated useful life of the asset if such useful life is finite. Intangible asset with an indefinite useful life is not amortised, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Intangible Assets with indefinite useful life is tested for impairment as per Ind AS 36-Impairment of Assets. Amortization methods and useful lives are reviewed periodically at each financial year end. On reviewing, if the useful life changes, the same is accounted for as changes in accounting estimates and if such a change has the effect of change of indefinite useful life to a finite useful life the same is treated in accordance with Ind AS 36.

**d) Expenditure during construction period:**

Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses including related pre-production expenses are allocated to projects and are also capitalised.

**e) Pre-operative Expenditure**

Pre-operative expenditure incurred during construction period are allocated on completion of the project after setting off the income earned, if any.

**D. Depreciation**

Depreciation on fixed assets, other than those mentioned below is provided on Straight Line Method, at rates prescribed under schedule II to the Companies Act, 2013. Additions to fixed assets during the year are being depreciated from the date such Assets are capitalized.

**(a)** Assets costing upto ₹ 5 thousand are depreciated fully in the year of capitalization.

**(b)** Cost of the leasehold land not exceeding 99 years is amortized over the lease period.

**E. Inventories**

Inventories/Stores are valued at weighted average cost. Project materials identified as surplus are provided for 95% of the value.

**F. Revenue Recognition**

- i) Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue from services rendered is recognized net of Service Tax on performance of service based on agreements/ arrangements with the concerned parties.

- ii) Other claims are booked when there is a reasonable certainty of recovery. Claims are reviewed on a periodical basis and if recovery is uncertain, provision is made in the accounts.
- iii) Income from sale of scrap is accounted for on realisation.
- iv) Dividend income is recognised when the company's right to receive the dividend is established which can be reliably measured and it is probable that the economic benefits associated with the dividend will flow to the entity.
- v) Interest income is recognised using the effective interest method.
- vi) Liquidated damages, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled after capitalisation of the assets and less than ₹ 500 thousand in each case are charged to revenue, otherwise adjusted against the cost of the relevant assets.
- vii) Insurance claim is accounted for on the basis of claims admitted by the insurers.

#### **G. Classification of Income/Expenses**

Expenses are accounted for on accrual basis and provision is made for all known liabilities.

Income/expenditure up to ₹ 100 thousand in each case pertaining to prior years is charged to the current year.

Prepaid expenses up to ₹ 100 thousand in each case are charged to revenue as and when incurred.

#### **H. Borrowing Costs**

Borrowing cost of the funds that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. The same is capitalized up to the date when the asset is ready for intended use or sale, after netting off any income earned on temporary investment of such funds.

#### **I. Foreign Currency Transaction**

- a. Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.
- b. All exchange differences are dealt with as per Ind AS 21.
- c. Monetary items carried at historical cost denominated in foreign currency are converted at exchange rates prevailing at the year end. Any gain/loss arising out of such conversion is recognized in the Profit & Loss Account.

#### **J. Capital Grants**

Government grants in the nature of promoters' contribution are credited to Capital Reserve and treated as part of shareholders' fund.

#### **K. Provisions, Contingent Liabilities and Capital Commitments**

- a. Provisions are recognized when there is present legal or constructive obligation as a result



of past event and it is probable that an outflow of economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

- b. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ₹ 100 thousand in each case are disclosed by way of notes to accounts.
- c. Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹ 100 thousand.

#### **L. Taxes on Income**

The tax expense comprises of current tax & deferred tax charged or credited to the statement of profit and loss for the year. Provision for Current tax is calculated in accordance with the provisions of the Income Tax Act, 1961 and rules thereunder applicable for the current financial year. Adjustments of Taxes/ Provisions are made on receipt of Intimation/ Deemed Intimation.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit & Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

Deferred tax expenses or benefit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. In the event of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future.

#### **M. Impairment of Assets**

The values of Fixed Assets in respect of Cash Generating Units are reviewed by the Management for impairment at each Balance Sheet date if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the net selling price of the Asset or present value, the difference is recognized as an impairment loss.

#### **N. Cenvat**

Cenvat credit of Excise Duty on eligible material is recognized on receipt of such materials and Cenvat credit of Service Tax is recognized on payment of Service Tax to the Service Provider.

#### **O. Financial Instruments**

##### **(a) Initial Recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized

at fair value on initial recognition, except for trade receivables. All financial liabilities except for Deposits from Customer which are maturing within one year from the Balance Sheet date are initially measured at transaction price as the carrying amounts approximate fair value due to the short maturity of these instruments.

**(b) *Subsequent Recognition***

Financial assets and liabilities are subsequently carried at amortized cost except for Deposits from Customer which is measured at fair value through profit or loss.

**(c) *Fair Value of Financial instruments***

Fair value measurements of financial assets and liabilities are made using variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The income approach has been adopted wherever valuation techniques are required to be applied on financial assets and liabilities.

**P. Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## **Notes Forming Part of Financial Statements**

### **3. Transition to Ind AS**

As per Note 2A, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31<sup>st</sup> March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1<sup>st</sup> April 2015.

In preparing its Ind AS balance sheet as at 1<sup>st</sup> April 2015 and in presenting the comparative information for the year ended 31<sup>st</sup> March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### **Explanation of transition to Ind AS**

In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

#### **Property, plant and equipment; investment property and intangibles exemption:**

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, investment properties and intangibles as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

#### **Derecognition of financial assets and financial liabilities**

The Corporation has opted the exemption for Derecognition of financial assets and liabilities prospectively i.e. after 1<sup>st</sup> April 2015.

#### **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

#### **Derecognition of financial assets and financial liabilities**

The Corporation has opted the exemption for Derecognition of financial assets and liabilities prospectively i.e. after 1<sup>st</sup> April 2015.



## Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

I. Reconciliation of Balance sheet as at April 1, 2015:			₹ in thousands
Particulars	As at 1-Apr-2015 IGAAP	Measurement Ind AS	As at 1-Apr-2015 Ind AS
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
a. Property, Plant and Equipment	2,799,247	10,860	2,810,106
b. Intangible assets under development	90	-	90
c. Other non-current assets	872	-	872
	2,800,209	10,860	2,811,068
<b>2 Current Assets</b>			
a. Inventories	40,355	(13,102)	27,253
b. Financial Assets			
(i) Trade Receivables	117,301	-	117,301
(ii) Cash and Cash Equivalents	43,480	-	43,480
c. Current Tax Assets (Net)	2,632	-	2,632
d. Other current assets	25,253	-	25,253
	229,020	(13,102)	215,919
<b>TOTAL ASSETS</b>	<b>3,029,229</b>	<b>(2,242)</b>	<b>3,026,987</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity Share Capital	1,672,500	-	1,672,500
b. Other Equity	155,679	21,119	176,798
	1,828,179	21,119	1,849,298
<b>LIABILITIES</b>			
<b>2 Non-current Liabilities</b>			
a. Financial Liabilities			
(i) Borrowings	648,000	-	648,000
(ii) Other financial liabilities	30,000	(6,279)	23,721
b. Deferred Tax Liabilities (Net)	186,557	(527)	186,030
	864,557	(6,806)	857,751
<b>3 Current Liabilities</b>			
a. Financial Liabilities			
(i) Trade payables	57,560	-	57,559
(ii) Other financial liabilities	242,788	5,588	248,376
b. Other Current Liabilities	14,000	-	14,000
c. Provisions	22,145	(22,143)	3
	336,493	(16,555)	319,938
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,029,229</b>	<b>(2,242)</b>	<b>3,026,987</b>

II. Reconciliation of Balance sheet as at March 31, 2016:			₹ in thousands
Particulars	As at 31-Mar-2016 IGAAP	Measurement Ind AS	As at 31-Mar-2016 Ind AS
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
a. Property, Plant and Equipment	2,650,308	10,218	2,660,526
b. Intangible assets under development	90	-	90
c. Other non-current assets	872	-	872
	2,651,270	10,218	2,661,488
<b>2 Current Assets</b>			
a. Inventories	44,853	(12,056)	32,796
b. Financial Assets			
(ii) Trade Receivables	134,760	-	134,760
(iii) Cash and Cash Equivalents	69,800	-	69,801
c. Current Tax Assets (Net)	1,088	-	1,088
d. Other current assets	21,608	-	21,608
	272,109	(12,056)	260,053
<b>TOTAL ASSETS</b>	<b>2,923,379</b>	<b>(1,838)</b>	<b>2,921,541</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity Share Capital	1,672,500	-	1,672,500
b. Other Equity	217,241	33,656	250,897
	1,889,741	33,656	1,923,397
<b>LIABILITIES</b>			
<b>2 Non-current Liabilities</b>			
a. Financial Liabilities			
(i) Borrowings	378,000	-	378,000
(ii) Other financial liabilities	30,000	(7,824)	22,176
b. Deferred Tax Liabilities (Net)	267,749	(284)	267,465
	675,749	(8,108)	667,641
<b>3 Current Liabilities</b>			
a. Financial Liabilities			
(i) Trade payables	40,326	-	40,326
(ii) Other financial liabilities	272,620	6,835	279,455
b. Other Current Liabilities	10,722	-	10,722
c. Provisions	34,221	(34,221)	-
	357,889	(27,386)	330,503
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,923,379</b>	<b>(1,838)</b>	<b>2,921,541</b>

**III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016:**
**₹ in thousands**

Particulars		Year Ended 31-Mar-2016 IGAAP	Measurement Ind AS	Year Ended 31-Mar-2016 Ind AS
I	Revenues from Operations	626,211	2,118	628,329
II	Other Income	6,615	-	6,615
III	<b>Total Revenue (I+II)</b>	<b>632,826</b>	<b>2,118</b>	<b>634,944</b>
IV	<b>Expenses :</b>			
	Employee Benefits Expense	31,442	-	31,442
	Finance Costs	89,280	1,819	91,099
	Depreciation and Amortisation	153,149	643	153,792
	Other Expenses	133,965	(1,046)	132,919
	<b>Total Expenses</b>	<b>407,836</b>	<b>1,416</b>	<b>409,252</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>	224,990	702	225,692
VI	Exceptional items			
VII	<b>Profit before extraordinary items and tax (V - VI)</b>	224,990	702	225,692
VIII	Extraordinary Items			
IX	<b>Profit before tax (VII- VIII)</b>	224,990	702	225,692
X	<b>Tax Expense:</b>			
1	Current tax (MAT Payable)	48,015	-	48,015
2	Deferred tax	81,192	243	81,435
XI	<b>Profit (Loss) for the period from continuing operations (IX - X)</b>	95,783	459	96,242
XII	<b>Profit/(loss) from discontinued operations</b>	-	-	-
XIII	<b>Tax expense of discontinued operations</b>	-	-	-
XIV	<b>Profit/(loss) from Discontinued operations (after tax) (XII-XIII)</b>	-	-	-
XV	<b>Profit/(loss) for the period (XI+XIV)</b>	95,783	459	96,242
XVI	<b>Other Comprehensive Income</b>			
	<b>A (i) Items that will not be reclassified to profit or loss</b>	-	-	-
	<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	-	-	-
	<b>B (i) Items that will be reclassified to profit or loss</b>	-	-	-
	<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>	-	-	-
XVII	<b>Total Comprehensive Income for the period (XV+XVI)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	95,783	459	96,242
XVIII	<b>Earnings per equity share (for discontinued &amp; continuing operations)</b> [Equity Shares of Rs. 10/- each]			
	Basic	0.57	0.00	0.58
	Diluted	0.57	0.00	0.58



**IV. The Company does not have a significant impact on the Cash flow statement as on 31 March 2016.**

<b>V. Reconciliation of Equity as on 31 March 2016 and 1 April 2015</b>			<b>₹ in thousands</b>
<b>Particulars</b>	<b>Note Ref</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Net worth as per Previous GAAP</b>		<b>1,889,741</b>	<b>1,828,179</b>
Reversal of Proposed Dividend	<b>A</b>	34,221	22,143
Fair Valuation of deposits	<b>B</b>	990	691
Impact of Stores and Spares	<b>C</b>	(1,839)	(2,242)
Deferred tax	<b>D</b>	284	527
<b>Net worth as per Ind AS</b>		<b>1,923,397</b>	<b>1,849,298</b>

**Notes to reconciliations:-**

**A. Proposed Dividend**

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as a liability in the period in which they relate, as these are considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. usually when approved by shareholders in an annual general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax as at 1st April 2015 and 31st March 2016 of ₹ 22,143 thousand and ₹ 34,221 thousand respectively included under the provisions has been reversed with corresponding adjustments to retained earnings.

**B. Fair valuation of Deposits**

The Company has obtained an interest free security deposit of ₹ 30,000 thousand under Gas Transportaion Agreement which is to be returned after 11 years. Under Ind AS, this deposit has been measured at fair value on initial recognition with the corresponding impact on additional transportation charges

**C. Stores and Spares**

Under Indian GAAP, machinery spares that are specific to the a particular property, plant and equipment (PPE) are capitalised to the cost of the PPE. Spares acquired subsequently are charged to the Statement of Profit & Loss. Under Ind AS, spares with a useful life of more than one year shall be treated as PPE and depreciated from the date they are ready to use over the useful life of the spare part. Hence, spares which were erstwhile treated as inventory under IGAAP shall now be classified as part of PPE if recognition criteria are met and corresponding depreciation is charged from the date they are ready to use to retained earnings.

**D. Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

## Notes Forming Part of Financial Statements

## 4 Property, Plant and Equipment

	₹ in thousands									
	Gross Block/Cost					Depreciation				
	As at 01-Apr-15	Addition (2)	Deductions on account of Retirement/ Adjustments (3)	As at 31-Mar-16 (4) = (1 + 2 - 3)	As at 01-Apr-15 (5)	Addition (6)	Deductions on account of Retirement/ Adjustments (7)	As at 31-Mar-16 (8) = (5 + 6 - 7)	As at 31-Mar-16 (9) = (4 - 8)	As at 01-Apr-15 (10) = (1 - 5)
<b>Land</b>	20,865	-	-	20,865	-	-	-	-	20,865	20,865
<b>Buildings</b>										
1) Building (Other than Factory Building) RCC Frame Structure	38,663	-	-	38,663	-	653	-	653	38,010	38,663
2) Factory Building	82,637	-	-	82,637	-	2,984	-	2,984	79,653	82,637
<b>Roads &amp; Drains</b>										
1) Carpeted Roads - Other than RCC	22,678	-	-	22,678	-	18,661	-	18,661	4,017	22,678
<b>Plant &amp; Machinery</b>										
1) Continuous Process Plant (Compressors)	362,317	-	-	362,317	-	16,131	-	16,131	346,186	362,317
2) Pipeline	1,959,325	3,564	-	1,962,889	-	70,668	-	70,668	1,892,221	1,959,325
3) Other Plant & Machinery	172,034	-	-	172,034	-	14,497	-	14,497	157,537	172,034
<b>Furniture &amp; Fixtures</b>										
1) Furniture General	520	-	-	520	-	102	-	102	418	520
<b>Computers &amp; Data Processing Units</b>										
1) Servers & Networks	29,998	-	-	29,998	-	11,577	-	11,577	18,421	29,998
2) End use devices - Desktops, Laptops etc.	195	-	-	195	-	74	-	74	121	195
<b>Electrical Installation and Equipment</b>										
120,874	647	-	-	121,521	-	18,444	-	18,444	103,077	120,874
<b>Small Value Assets</b>	-	1	-	1	-	1	-	1	-	-
<b>Total</b>	<b>2,810,106</b>	<b>4,212</b>	<b>-</b>	<b>2,814,318</b>	<b>-</b>	<b>153,792</b>	<b>-</b>	<b>153,792</b>	<b>2,660,526</b>	<b>2,810,106</b>

1. Free hold land owned by the company as on 31.03.2016 stands at 54B-4K-15.43L (including 7B-3K-6.56L allotted by Govt. of Assam) out of which mutation is pending for 16B-4K-16.43L.

Contd..

4. Property, Plant and Equipment		₹ in thousands									
		Gross Block/Cost					Depreciation				
	As at 01-Apr-16	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-17	As at 01-Apr-16	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16	Net Block
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)	
<b>Land</b>	20,865	-	-	20,865	-	-	-	-	20,865	20,865	
<b>Buildings</b>											
1) Building (Other than Factory Building) RCC Frame Structure	38,663	-	-	38,663	653	653	-	1,306	37,357	38,010	
2) Factory Building	82,637	-	-	82,637	2,984	2,984	-	5,968	76,669	79,653	
<b>Roads &amp; Drains</b>											
1) Carpeted Roads - Other than RCC	22,678	-	-	22,678	18,661	1,407	-	20,068	2,610	4,017	
<b>Plant &amp; Machinery</b>											
1) Continuous Process Plant (Compressors)	362,317	1,452	-	363,769	16,131	16,157	-	32,288	331,481	346,186	
2) Pipeline	1,962,889	42,659	-	2,005,548	70,668	70,786	-	141,454	1,864,094	1,892,221	
3) Other Plant & Machinery	172,034	-	-	172,034	14,497	14,497	-	28,994	143,040	157,537	
<b>Furniture &amp; Fixtures</b>											
1) Furniture General	520	74	-	594	102	103	-	205	389	418	
<b>Computers &amp; Data Processing Units</b>											
1) Servers & Networks	29,998	2,103	-	32,101	11,577	11,726	-	23,303	8,798	18,421	
2) End use devices - Desktops, Laptops etc.	195	395	-	590	74	51	-	125	465	121	
<b>Electrical Installation and Equipment</b>	121,521	627	-	122,148	18,444	18,531	-	36,975	85,173	103,077	
<b>Small Value Assets</b>	1	72	-	73	1	72	-	73	-	-	
<b>Total</b>	<b>2,814,318</b>	<b>47,382</b>	<b>-</b>	<b>2,861,700</b>	<b>153,792</b>	<b>136,967</b>	<b>-</b>	<b>290,759</b>	<b>2,570,941</b>	<b>2,660,526</b>	

1. Free hold land owned by the company as on 31.03.2017 stands at 54B-4K-15.43L (including 7B-3K-6.56L allotted by Govt. of Assam) out of which mutation is pending for 16B-4K-16.43L.



## Notes Forming Part of Financial Statements

<b>5</b>	<b>Intangible assets under development</b>	<b>₹ in thousands</b>		
		<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>
	<b>SOFTWARE</b>			
	a) Inventory Management Software	90	90	90
		90	90	90
<b>6</b>	<b>Other non-current assets</b>	<b>₹ in thousands</b>		
		<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>
	Security Deposits			
	(Unsecured, considered good)	872	872	872
		872	872	872
<b>7</b>	<b>Inventories</b>	<b>₹ in thousands</b>		
		<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>
	Stores and spares valued at Weighted Average Cost	96,557	88,437	82,901
	Less : Provision for Losses for Project surplus material	(46,384)	(55,641)	(55,648)
		50,173	32,796	27,253
<b>8</b>	<b>Trade Receivables</b>	<b>₹ in thousands</b>		
		<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>
	<b>Unsecured</b>			
	<u>Outstanding for a period exceeding six months from the date they are due for payment :</u>			
	Considered good	-	-	-
	Considered doubtful	-	-	-
	Provision for doubtful receivable	-	-	-
	<u>Not Exceeding Six Months :</u>	-	-	-
	Other receivables	-	-	-
	Considered good	120,297	134,760	117,301
	Considered doubtful	-	-	-
		120,297	134,760	117,301
		120,297	134,760	117,301

## Notes Forming Part of Financial Statements

### 9 Cash and Cash Equivalents

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
Cash in Hand	40	46	-
Balances with bank	-	-	-
In current account	830	9,228	13,375
Deposits with original maturity of less than three months	117,647	60,527	30,105
Other Bank Balances	-	-	-
Deposits with original maturity for more than three months	15,075	-	-
	133,592	69,801	43,480

### 10 Current Tax Assets (Net)

	31-Mar-17	31-Mar-16	1-Apr-15
Advance Income Tax	68,484	49,103	50,111
Provision for Income Tax (MAT)	(65,213)	(48,015)	(47,479)
	3,271	1,088	2,632

### Reconciliation of effective tax rate

₹ in thousands

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Profit before tax</b>	<b>307,035</b>	<b>225,692</b>
Tax using the Company's domestic tax rate at MAT (Current year 21.34% and 21.34 % Previous Year )	65,526	48,170
Increase in tax rate		
<b>Tax effect of:</b>		
Amount withdrawn from reserves or provisions	(322)	(2)
Tax-exempt income		
Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences		
Interest expense not deductible for tax purposes	9	
Incremental deduction allowed for research and development costs		
Investment allowance deduction		
Others	15	(153)
<b>Tax expense as per Statement of Profit &amp; Loss</b>	<b>65,228</b>	<b>48,015</b>

The applicable normal Indian statutory tax rate for fiscal 2017 and fiscal 2016 is 34.61%. However the company is provision taxes (MAT) as per section 115JB of the I T Act, 1961. MAT Credit has not been recognized due to uncertainty of recovery of same within the specified period.

<b>11 Other current assets</b>	<b>₹ in thousands</b>		
	<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>
<b>Security Deposits</b>			
(Unsecured, considered good)	-	-	-
<b>Loans and advances to related parties</b>			
(Secured, considered good)	-	-	-
<b>Other Loans and advances</b>			
<b>To Employees</b>			
(Secured, considered good)	-	-	-
<b>To Others</b>			
(Unsecured, considered good)	2,801	2,957	876
(Unsecured, considered doubtful)	-	-	-
Less : Provision for doubtful advances	-	-	-
	-	-	-
Prepaid Expenses	822	824	824
	-	-	-
	-	-	-
Deposit with Statutory Authorities	2,060	4,065	3,724
Claimable CENVAT on Service Tax	1,076	675	1,821
Interest accrued but not due on Fixed Deposits	485	203	101
Other Receivables	32	12,884	17,907
	<b>7,276</b>	<b>21,608</b>	<b>25,253</b>

Deposits with Statutory Authorities includes CENVAT credit on capital goods of ₹197 thousand (previous year ₹33 thousand) and CENVAT on Service Tax ₹1,863 thousand (previous year ₹4,031 thousand).



## Notes Forming Part of Financial Statements

### 12 Equity Share Capital

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
<b>Equity Shares</b>			
<b>Authorised</b>			
17,00,00,000 ( 31 March 2016 : 17,00,00,000 ) Equity Share of ₹10/- each	1,700,000	1,700,000	1,700,000
	1,700,000	1,700,000	1,700,000
<b>Issued, Subscribed and Paid up</b>			
16,72,50,000 ( 31 March 2016 : 16,72,50,000 ) Equity Shares of ₹10/- each	1,672,500	1,672,500	1,672,500
	1,672,500	1,672,500	1,672,500

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-Mar-17 ₹ in thousands		31-Mar-16 ₹ in thousands		1-Apr-15 ₹ in thousands	
Equity Shares	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	167,250,000	1,672,500	167,250,000	1,672,500	167,250,000	1,672,500
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	167,250,000	1,672,500	167,250,000	1,672,500	167,250,000	1,672,500

#### b. Terms/right attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Shares held by holding company

Out of equity shares issued by the Company, shares held by Holding Company is as below :

	31-Mar-17	31-Mar-16	1-Apr-15
Assam Gas Company Limited (with nominees)			
8,53,00,000 (31st March 2016 : 8,53,00,000) equity shares of ₹10/- each fully paid	853,000	853,000	853,000

#### d. Details of shareholders holding more than 5% shares in the company

	31 Mar-17 AS		31-Mar-16		1-Apr-15	
Name of Shareholders	Number	% of Holding	Number	% of Holding	Number	% of Holding
Assam Gas Company Limited (with nominees)	85,300,000	51%	85,300,000	51%	85,300,000	51%
Numaligarh Refinery Limited	43,490,000	26%	43,490,000	26%	43,490,000	26%
Oil India Limited.	38,460,000	23%	38,460,000	23%	38,460,000	23%

## Notes Forming Part of Financial Statements

13	Other Equity	₹ in thousands		
		General Reserve	Profit & Loss Account	Total
	<b>As at 01-April- 2015</b>	176,298	500	176,798
	Profit/(Loss) for the year	-	96,242	96,242
	Dividend to Equity shareholders	-	(18,398)	(18,398)
	Tax on Distribution Profits	-	(3,745)	(3,745)
	Corporate Income Tax payment adjusted	-	-	-
	Transfer (to)/from	74,099	(74,099)	-
	<b>As at 31-Mar-16</b>	250,397	500	250,897
	<b>As at 01-April- 2016</b>	250,397	500	250,897
	Profit/(Loss) for the year		134,875	134,875
	Dividend to Equity shareholders	-	(28,433)	(28,433)
	Tax on Distribution Profits	-	(5,788)	(5,788)
	Corporate Income Tax payment adjusted	-	-	-
	Transfer (to)/from	100,654	(100,654)	-
	<b>As at 31-Mar-17</b>	351,051	500	351,551

## Notes Forming Part of Financial Statements

### 14 Borrowings

₹ in thousands

	Non-current portion			Current Maturities		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
<b>Term Loans</b>						-
						-
<b>From Oil India Limited</b>	-	-				
<b>Secured</b>	-	-				
<b>Unsecured</b>	-	-	648,000			240,000
	-	-				
<b>From Assam Gas Company Limited</b>	-	-				
<b>Secured</b>	-	-	-	-	-	-
<b>Unsecured</b>	108,000	378,000	-	270,000	270,000	-
<b>From State Bank of India</b>						
<b>Secured</b>		-	-	-	-	-
<b>Unsecured</b>		-	-	-	-	-
<b>Amount disclosed under the head "Other Financial Liabilities".</b>		-	-	(270,000)	(270,000)	(240,000)
	108,000	378,000	648,000	-	-	-

#### Additional Information to Secured/Unsecured Long Term Borrowings:

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Schedule III.

#### Detail of Securities and Terms of repayment

##### i) Oil India Limited :

The loan of ₹ 8,88,000 thousand bearing interest at the rate of 11.45% is repayable in 45 (fourty-five) monthly installments, consisting of 44 (fourty-four) equal monthly installments of ₹ 20,000 thousand each and Last 1 (one) installment of ₹ 8,000 thousand only.

##### ii) Assam Gas Company Limited :-

The loan of ₹ 6,48,000 thousand bearing interest at the rate of 10.00% is repayable in 29 (twenty-nine) monthly installments, consisting of 28 (twenty-eight) equal monthly installments of ₹ 22,500 thousand each and Last 1 (one) installment of ₹ 18,000 thousand only.



## Notes Forming Part of Financial Statements

### 15 Other financial liabilities

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
<b>Non-Current:</b>			
Deposits from Customer (Non Current)	15,229	15,299	14,725
Advance for Transportation Charge (Non Current)	4,759	6,877	8,996
<b>(A)</b>	<b>19,988</b>	<b>22,176</b>	<b>23,721</b>
<b>Current:</b>			
Current maturities of long term debt	270,000	270,000	240,000
EMD from Contractors & Suppliers	2,140	903	452
Security Deposits from Contractors	1,746	1,468	1,174
Retentions from Contractors	250	250	1,162
Advance against Project	45,511	-	-
Advance for transportation Charge (Current)	2,118	2,118	2,118
Deposits from Customer (Current)	6,787	4,716	3,470
<b>(B)</b>	<b>328,552</b>	<b>279,455</b>	<b>248,376</b>
<b>Total</b>	<b>(A+B) 348,540</b>	<b>301,631</b>	<b>272,097</b>

Advance against Project comprises of amount received from NHIDCL against expenses to be incurred by the Company for shifting of pipelines due to the ongoing work of four laning of NH-37. The same will be amortised against expenses incurred for the same in due course of time.

### 16 Deferred Tax Liabilities (Net)

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
<b>Deferred Tax Liability</b>			
Deposits from Customer	379	339	235
Property, Plant and Equipment	412,112	379,350	334,213
<b>Total</b>	<b>412,491</b>	<b>379,689</b>	<b>334,448</b>
<b>Deferred Tax Assets</b>			
Property, Plant and Equipment	38,094	112,224	147,611
Other Items	-	-	807
<b>Total</b>	<b>38,094</b>	<b>112,224</b>	<b>148,418</b>
<b>Net Deferred Tax Liability</b>	<b>374,397</b>	<b>267,465</b>	<b>186,030</b>

The Company has recognized Deferred Tax Asset in respect of Unabsorbed Depreciation on the basis of Gas Transportaion Agreement between the Company and Numaligarh Refinery Limited for a period of 15 years, being convincing evidence to substantiate Virtual Certainty of sufficient future taxable income for realisation of such deferred assets.

## Notes Forming Part of Financial Statements

### 17 Trade payables ₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
Creditors for Capital Expenditure	1,307	1,502	4,811
Other Trade Payables	26,826	38,824	52,748
	28,133	40,326	57,559

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 18 Other Current Liabilities ₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
Statutory Liabilities	2,353	10,221	8,239
Other Payables	1,035	501	5,761
	3,388	10,722	14,000

### 19 Provisions ₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
<b>Other Provisions</b>			
Provision for Professional Tax	3	-	3
Proposed Dividend	-	-	-
Corporate Dividend Tax on Proposed Dividend	-	-	-
	3	-	3

## Notes Forming Part of Financial Statements

20 Revenues from Operations		₹ in thousands	
		April - Mar 17	April - Mar 16
<b>Sale of Services</b>			
Transportation of Gas		665,080	628,329
		665,080	628,329
21 Other Income		₹ in thousands	
		April - Mar 17	April - Mar 16
Interest Income			
On Bank Deposits		8,624	4,796
Others		1,595	888
Insurance Claim Received		262	-
Inventory Provision Written Back		9,256	8
Other non-operating income		86	923
		19,823	6,615
22 Employee Benefits Expense		₹ in thousands	
		April - Mar 17	April - Mar 16
Salaries and wages			
Employees		10,569	8,470
Deputed Employees (AGCL)		17,496	21,616
Contribution to Provident Fund		1,157	965
Contribution to Gratuity Fund		243	204
Welfare & Training Expenses		583	187
		30,048	31,442
23 Finance Costs		₹ in thousands	
		April - Mar 17	April - Mar 16
Interest expenses on loans			
Oil India Limited		-	83,622
Assam Gas Company Limited		52,459	5,658
Interest on Fair Valuation		2,001	1,819
		54,460	91,099



## Notes Forming Part of Financial Statements

### 24 Other Expenses

₹ in thousands

	April - Mar 17	April - Mar 16
Power & Fuel	60,563	75,365
Operation & Maintenance		
- Compressor	19,257	17,519
- Others	1,173	1,535
ROW Expenses	-	-
- ROW Rental Charges	4,079	3,999
- ROW Supervision Charges	408	400
Rent	1,839	275
Repair & Maintenance	-	-
Plant & Machinery	14,008	11,299
Building	2,447	267
Others	421	475
Insurance	5,185	5,175
Rates and Taxes-excluding taxes on income	623	652
Auditors' Remuneration	-	-
Statutory Audit Fees	40	40
Cost Audit Fee	30	30
Tax Audit Fee	18	15
Secretarial Audit Fee	20	-
For Other Matters (Statutory Auditor)	8	13
For Other Matters (Cost Auditor)	30	15
Reimbursement of Out of Pocket Expenses ( Statutory Auditor)	5	5
Travelling and Conveyance	3,389	2,883
Stationery, Postage, Telephone & Advertisement	2,298	1,344
Security Expenses	7,422	6,681
Accounting Service Charges	1,942	1,701
CSR Expenses	1,123	2,056
Professional Charges	1,054	437
Transportation Charges	938	-
Fire & Safety Expenses	960	4
Interest on Entry Tax	12,839	-
Bank Charges & Other Misc. Expenses	904	734
Discount/ Loss on Sale of Inventory	6,468	-
	149,491	132,919

### 25 Extraordinary Items

₹ in thousands

	April - Mar 17	April - Mar 16
Loss on Account of Fire	6,902	-
	6,902	-

## Notes Forming Part of Financial Statements

### 26 Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in thousands								
	Carrying amount				Fair value			
March 31, 2017	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents			133,592	133,592				
Trade receivables			120,297	120,297				-
	-	-	253,888	253,888	-	-	-	-
<b>Financial liabilities</b>								
Deposit from Customer	28,893			28,893		28,893		28,893
Term loans			378,000	378,000				-
Trade and other payables			28,133	28,133				-
Other current financial liabilities			49,647	49,647				-
	28,893	-	455,780	484,673	-	28,893	-	28,893

₹ in thousands								
	Carrying amount				Fair value			
March 31, 2016	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents			69,801	69,801				-
Trade receivables			134,760	134,760				-
	-	-	204,560	204,560	-	-	-	-
<b>Financial liabilities</b>								
Deposit from Customer	29,010			29,010		29,010		29,010
Term Loans			648,000	648,000				-
Trade and other payables			40,326	40,326				-
Other current financial liabilities			2,620	2,620				-
	29,010	-	690,947	719,957	-	29,010	-	29,010

Contd....

₹ in thousands

April 1, 2015	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents			43,480	43,480				-
Trade receivables			117,301	117,301				-
	-	-	<b>160,781</b>	<b>160,781</b>	-	-	-	-
<b>Financial liabilities</b>								
Deposit from Customer	29,309			29,309		29,309		29,309
Term Loans			888,000	888,000				-
Trade and other payables			57,559	57,559				-
Other current financial liabilities			2,788	2,788				-
	<b>29,309</b>	-	<b>948,348</b>	<b>977,656</b>	-	<b>29,309</b>	-	<b>29,309</b>

#### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note XX.

#### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Deposit from Customer	Present Value techniques using appropriate discounting rates.	Not applicable	Not Applicable

#### C. Financial risk management

##### i. Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Baring Market risk the Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk

##### i. Market risk

Market risk is the risk of changes in market prices – such as foreign exchange rates, interest rates and equity prices – that will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Though the Company expects circumstances relating of transactions in foreign currency, but the Company is currently not carrying any foreign exchange bearing financial instruments in the stated reporting periods.



Contd....

## ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company assumes low credit risk on Trade Receivables which comprise of only one customer amounting to ₹ 1,17,301 thousand as at 1st April 2015, ₹ 1,34,759 thousand as at 31st March 2016 and ₹ 1,20,297 thousand as at 31st March 2017; as it does not expect its customer to fail in meeting its contractual obligations as the Company understands that the customer has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

₹ in thousands

31-Mar-17	Gross carrying amount	Weighed average loss rate - range	Loss allowance
<b>Neither past due not impaired</b>	58,496	-	-
Past due 1-90 days	61,801	-	-
More than 90 days	-	-	-
	120,297	-	-

₹ in thousands

31-Mar-16	Gross carrying amount	Weighed average loss rate - range	Loss allowance
<b>Neither past due not impaired</b>	65,926	-	-
Past due 1-90 days	68,834	-	-
More than 90 days	-	-	-
	134,760	-	-

₹ in thousands

April 1, 2015	Gross carrying amount	Weighed average loss rate - range	Loss allowance
<b>Neither past due not impaired</b>	59,859	-	-
Past due 1-90 days	57,442	-	-
More than 90 days	-	-	-
	117,301	-	-

### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 43,480 thousand as at April 1, 2015, ₹ 69,801 thousand as at 31st March 2016 and ₹ 1,33,592 thousand as at March 31, 2017. The cash and cash equivalents are held with bank with good credit ratings. The Company also invests its short term surplus funds in bank fixed deposit, which carry no/low mark to market risks for short duration therefore does not expose the company to credit risk.

Other than trade and other receivables, the Company has no other material financial assets that are past due but not impaired.

Contd...

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due in a cost effective manner, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### Exposure to liquidity risk

₹ in thousands

		Contractual cash flows				
March 31, 2017	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	28,893	30,000			30,000	
Term loans	378,000	378,000	270,000	108,000	-	-
Trade and other payables	28,133	-				
Other current liabilities	49,647	-				

₹ in thousands

March 31, 2016	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	29,010	30,000	-	-	30,000	-
Term loans	648,000	648,000	270,000	378,000	-	-
Trade and other payables	40,326	40,326	40,326			
Other current liabilities	2,620	2,620	2,620			

₹ in thousands

April 1, 2015	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	29,309	30,000	-	-	-	30,000
Term loans	888,000	888,000	240,000	648,000		
Trade and other payables	57,559	57,559	57,559	-	-	-
Other current liabilities	2,788	2,788	2,788	-	-	-

The Company has not carried any derivative financial liabilities as on 1st April 2015, 31st March 2016 and 31st March 2017

## Notes Forming Part of Financial Statements

- 27 Provision for taxation (MAT) for the financial year 2016-17 amounting to ₹65,228 thousand ( Previous Year ₹48,015 thousand) has been made as per section 115JB of the I T Act, 1961. MAT Credit has not been recognized due to uncertainty of recovery of same within the specified period.

### 28 Earnings per equity share

₹ in thousands

	31-Mar-17	31-Mar-16
Face value ₹10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	134,875	96,242
Weighted average number of Equity Shares outstanding during the year	167,250,000	167,250,000
Basic earnings per share (₹)	0.81	0.58
Diluted earnings per share (₹)	0.81	0.58

- 29 The company is operating under a single segment. As such there is no other reportable segment as defined by the Ind AS-108 Operating Segments notified by the Ministry of Corporate Affairs.

- 30 Trade payable, Trade Receivable and Creditors for Capital Expenditure are subject to Confirmation.

- 31 During the year Company has paid Entry Tax demand amounting to ₹57181 thousand (including interest ₹12,839 thousand ) pertaining to FY 2008-09 and 2009-10. The interest of ₹12,839 thousand has been charged to profit and loss under Other expenses at note no. 24. Out of the remaining ₹44,342 thousand and amount of ₹42,659 thousand has been capitalised under the head pipeline, ₹78 thousand has been capitalised to Compressors, ₹1,496 thousand has been charged to inventory and ₹108 thousand has been charged to profit and loss on account of sale of inventory of earlier years.

- 32 As per guidelines Ind AS 36 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 1<sup>st</sup> April 2015, 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017.

### 33 Contingent Liabilities

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
<b>Contingent Liabilities :</b>			
<u>Claims against the Company not acknowledged as debts :</u>		-	-
<u>In respect of Taxation matters</u>			
Service Tax	2,229	2,229	2,229
<u>Guarantees :</u>		-	-
<u>Other Money for which the company is contingently liable :</u>			
Rental and Supervision Charges for ROW to Oil India Limited	10,070	8,308	6,580
Money appeal pending before the Court of District Judge, Jorhat		-	500
	12,299	10,537	9,309
<b>Commitments :</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	4,173	15,062	2,787
	4,173	15,062	2,787

### 34 Related Party Transactions

The Company has adopted the exemption under para 25 of Ind AS-24 related to disclosure pertaining to related parties under the control of the same Govt.



#### List of Related Parties

##### Particulars

1  
2  
3

The details of amounts (due to) or due from related parties as at 1st April 2015, 31st March 2016 and 31st March 2017 are as follows:

	₹ in thousands		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Numaligarh Refinery Limited (NRL)	91,403	105,750	87,992
Oil India Limited (OIL)	(5,970)	(14,382)	(902,152)

#### Terms and Conditions and nature of consideration for settlement:

1  
2

The details of the related parties transactions entered into by the Company for the year ended 31st March 2016 and 31st March 2017 are as follows:

	₹ in thousands	
Particulars	31-Mar-17	31-Mar-16
<b>Revenue Transactions:</b>		
1	1,768	1,484
2	665,080	628,329
3	53,919	69,178
	4,487	4,399
	2,613	-

	₹ in thousands	
Key management personnel compensation	31-Mar-17	31-Mar-16
1		
(a)	262	-
(b)	-	-
(c)	-	-
(d)	-	-
(e)	-	-

- 35 Disclosure pursuant to MCA notification no. G.S.R. 308(E) dated 30th March, 2017 regarding specified bank notes deposited during 9th November 2016 to 30th December 2016.

	Other denomination notes	Total
	-	-
	-	-
	-	-
	-	-

- 36 Reconciliation of Expenditure on Corporate Social Responsibility (CSR) Activities are as follows:

	₹ in thousands	
	2015-16	2016-17
	2,149	2,624
	2,531	3,430
	2,056	1,123
	<b>2,624</b>	<b>4,931</b>

#### 37 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary for comparison and conforms to current year's classification.



**S A. Majumdar & Associates**  
**Chartered Accountants**

E-mail: casyamal@yahoo.co.in  
Ph (0381)2325276(O)/2306757(R)

CA. Syamalendu Majumdar  
B.Com (H), FCA, DISA (ICAI)  
Thakurpally Road, Krishnanagar  
Agartala, Post Box No.34  
West Tripura – 799001, INDIA

**INDEPENDENT AUDITOR'S REPORT**

To

The Board of Directors  
Tripura Natural Gas Company Limited  
Report on the Financial Statements

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Tripura Natural Gas Company Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing



standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Other Matters**

##### **a) Predecessor auditor to audit transition adjustments**

The comparative financial information of the company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 15th June 2016 expressed an unmodified opinion.

(OR)

##### **Incoming auditor to audit comparative information for adjustments to transition to Ind AS16**

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 1st August 2016 and 1st July 2015 respectively expressed an unmodified opinion on those standalone financial





statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

b) We did not audit the financial statements/information of \_\_\_nil\_\_\_(number) branches included in the standalone Ind AS financial statements of the Company whose financial statements / financial information reflect total assets of Rs. \_\_\_nil\_\_\_ as at 31st March, 2017 and total revenues of Rs. \_\_\_nil\_\_\_ for the year ended on that date.

The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

1.As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us.

e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; [or the Company does not have any pending litigations which would impact its financial position.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; [or the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company [or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.A.Majumdar & Associates  
Chartered Accountants  
Firm's Registration No.312032E



  
Signature

S.Majumdar  
Proprietor

Membership No.050476

Place: Agartala, Tripura  
Date: 17-05-2017

Tripura Natural Gas Company Limited  
Balance Sheet as at 31 March 2017

Particulars	Note	As per Ind AS	As per Ind AS	(Amounts in INR) As per Ind AS
		As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	3	62,94,66,041	61,51,18,753	39,24,90,214
Capital work-in-progress	3	3,50,03,205	93,40,721	7,06,54,821
Financial Assets				
-Loans	4A	2,02,33,027	1,63,33,431	76,77,891
-Other bank balances	9B	-	3,39,50,883	-
Other Non-Current Assets	6	25,10,377	67,58,034	8,72,864
<b>Subtotal (A)</b>		<b>68,72,12,650</b>	<b>68,15,01,822</b>	<b>47,16,95,790</b>
<b>Current Assets</b>				
Inventories	7	1,63,39,127	1,34,94,124	87,04,164
Financial Assets				
-Trade receivables	8	5,75,50,927	4,73,14,274	3,70,17,178
-Cash and cash equivalents	9A	18,69,84,868	6,02,06,205	8,34,81,482
-Other bank balances	9B	11,31,65,111	6,33,72,954	10,58,96,252
-Loans	4A	1,75,100	10,20,240	63,94,716
-Other Financial Assets	4B	4,90,82,057	7,33,18,526	2,29,96,817
Other Current Assets	6	5,07,737	7,88,409	7,32,597
<b>Subtotal (B)</b>		<b>42,38,04,928</b>	<b>25,95,14,732</b>	<b>26,52,23,206</b>
<b>Total Assets (A+B)</b>		<b>1,11,10,17,578</b>	<b>94,10,16,554</b>	<b>73,69,18,997</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	10	3,92,00,000	3,92,00,000	3,92,00,000
Other Equity	11	60,77,14,115	49,47,10,803	33,30,74,052
<b>Total equity (C)</b>		<b>64,69,14,115</b>	<b>53,39,10,803</b>	<b>37,22,74,052</b>
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
Financial Liabilities				
-Borrowings	12	6,07,18,545	8,49,18,545	10,84,75,921
-Other Financial Liabilities	14	23,56,043	22,96,662	13,95,743
Provisions	15	1,53,49,985	1,34,28,388	1,15,76,911
Deferred Tax Liability	5	1,13,85,805	10,00,441	(81,44,836)
Other Non Current Liabilities	16	13,56,81,829	15,42,87,201	10,65,41,755
<b>Subtotal (D)</b>		<b>22,54,92,207</b>	<b>25,59,31,236</b>	<b>21,98,45,495</b>
<b>Current Liabilities</b>				
Financial Liabilities				
-Trade Payables	13	1,09,87,785	1,93,18,883	2,00,27,811
-Other Financial Liabilities	14	14,80,82,611	11,41,91,640	9,67,21,117
Provisions	15	77,76,937	23,57,786	37,89,374
Other Current Liabilities	16	7,17,63,924	1,53,06,206	2,42,61,148
<b>Subtotal (E)</b>		<b>23,86,11,256</b>	<b>15,11,74,515</b>	<b>14,47,99,450</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>1,11,10,17,578</b>	<b>94,10,16,554</b>	<b>73,69,18,997</b>

Refer accompanying notes to the financial statements

In terms of our report of even date

For S.A. Majumdar & Associates

Chartered Accountants

For S.A. Majumdar & Associates.  
Chartered Accountants.

S. Majumdar

Proprietor

Membership No. 101076



Siva Surkar Vercumala

(Director Commercial)

DIN-07211011

(Sivasurkar Vercumala)

Director Commercial

Tripura Natural Gas Co. Ltd.

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

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Agartala, Tripura

Agartala, Tripura

N. Gangopadhyay

(Managing Director)

DIN-07544256

(N. GANGOPADHYAY)

Managing Director

Tripura Natural Gas Co. Ltd.

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

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Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Place: Agartala

Date:

(Atanu Datta Choudhury)

Chief Financial Officer

PAN-AGUT04174A

Tripura Natural Gas Co. Ltd.

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

Agartala, Tripura

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Agartala, Tripura



Tripura Natural Gas Company Limited  
Statement of Profit & Loss for the Year ended 31st March 2017

Particulars	Note No.	(Amounts in INR)	
		As per Ind AS	As per Ind AS
		Year Ended 31st March 2017	Year Ended 31st March 2016
I. Revenue from Operations (Gross)	17	66,98,01,251	65,84,90,240
II. Other Income	18	3,24,67,805	3,39,49,352
III Total Revenue (I+II)		70,22,68,255	69,24,39,592
Gas Consumed	19	20,94,04,735	24,69,15,401
Depreciation and amortization expenses	3	7,25,38,916	7,77,96,973
Excise duty		4,12,40,862	3,84,60,923
Other expenses	21	16,90,85,226	14,33,07,620
Finance Cost	22	89,95,524	2,74,527
Employee benefits expenses	20	3,02,55,362	2,83,33,429
Total Expenses		53,05,20,624	53,50,82,874
V. Profit before Tax (III - IV)		17,17,47,631	15,73,56,718
X. Tax Expenses		5,87,44,319	5,59,97,726
- Current Year	23	4,83,58,955	4,68,52,449
- Earlier Years	23		
Deferred Tax	9	1,03,85,364	91,45,277
XI. Profit for the Period (IX-X)		11,30,03,312	10,13,58,992
Other Comprehensive Income			
XII. Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Changes in fair value of FVOCI debt instruments		-	-
Income tax relating to these items		-	-
XIII. Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		-	-
Remeasurement of post-employment benefit obligations		-	-
Income tax relating to these items		-	-
XIV. Other comprehensive income net of tax		-	-
Total comprehensive income (XI+ XIV)		11,30,03,312	10,13,58,992

Earning Per Equity Share (Face Value Rs.100/-each)

- Basic	288	259
- Diluted	288	259

In terms of our report of even date  
For S. A. Majumdar & Associates

For S. A. Majumdar & Associates.  
Chartered Accountants.

S. Majumdar  
(CA - S. Majumdar)  
Membership No. 10045



Place: Agartala  
Date

Sir Sankar Venerandi  
(Director Commercial)  
(Signature) DIN-07211011-110101  
N. Gangopadhyay  
(Managing Director)  
(Signature) DIN-07564256  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.

(Atanu Majumdar)  
(Signature) DIN-07564256  
Chief Financial Officer  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.

(Khajuraj Ghosh)  
(Signature) DIN-07564256  
Chief Executive Officer  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.

**Tripura Natural Gas Company Limited**  
**Statement of Cash Flows for the year ended 31 March 2017**

Particulars	(Amounts in INR)	
	As per Ind AS As at 31st March, 2017	As per Ind AS As at 31st March, 2016
<b>Cash Flow from Operating Activities</b>		
Profit / (loss) before tax	17,17,47,631	15,73,56,718
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	7,25,38,916	7,77,90,973
Adjustment for Depreciation relating to Previous Years		(59,64,961)
Interest income	(1,67,02,118)	(1,46,06,734)
Income from unwinding of security deposits	(2,62,845)	(1,84,817)
Finance costs (including fair value change in financial instruments)	89,95,524	2,74,527
<b>Operating Profit before Working Capital changes</b>	<b>23,63,17,108</b>	<b>21,46,65,706</b>
Movements in working capital :		
Increase/(Decrease) in trade payables	(83,31,098)	(7,08,928)
Increase/(Decrease) in provisions	73,40,748	4,19,889
Decrease / (Increase) in Other Financial Liabilities	3,33,07,728	2,37,34,819
Decrease / (Increase) in Non Financial Liabilities	3,78,52,346	3,87,90,503
Decrease / (Increase) in Non Financial assets	11,09,993	(10,74,744)
(Increase)/Decrease in trade receivables	(1,02,36,653)	(1,02,97,096)
(Increase)/Decrease in Inventories	(28,45,003)	(47,89,960)
(Increase)/Decrease in Loans	5,60,859	(2,94,347)
Cash Generated From Operations	29,50,76,028	26,04,45,843
Less : Direct Tax paid ( net of refunds)	(4,49,40,619)	(5,33,85,856)
<b>I. Net Cash Flow from Operating Activities</b>	<b>25,01,35,409</b>	<b>20,70,59,987</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(8,68,86,204)	(23,25,09,623)
Decrease/(Increase) in Capital Work in Progress	(2,56,62,484)	6,13,14,100
Interest income	1,33,49,648	1,18,04,834
Redemption in Investments	2,42,36,469	85,72,415
Increase in Investments	(1,58,41,274)	(5,03,21,709)
<b>II. Net cash flow (used in) investing activities</b>	<b>(9,08,03,845)</b>	<b>(20,11,39,983)</b>
<b>Net Cash Flow From Financing Activities:</b>		
Repayment of long term borrowings	(2,35,57,376)	(2,89,20,754)
Interest paid	(89,95,524)	(2,74,527)
<b>III. Net cash flow (used in) financing activities</b>	<b>(3,25,52,900)</b>	<b>(2,91,95,281)</b>
<b>IV. Net (decrease) / In cash and cash equivalents (I+II+III)</b>	<b>12,67,78,663</b>	<b>(2,32,75,278)</b>
Cash and cash equivalents (Opening)	6,02,06,205	8,34,81,482
<b>Cash and cash equivalents (Closing)</b>	<b>18,69,84,868</b>	<b>6,02,06,205</b>

*(Signature)*  
 (Attn: Mr. N. Gangopadhyay)  
 Chairman, Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.

*(Signature)*  
 (Attn: Mr. N. Gangopadhyay)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



*(Signature)*  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

**Tripura Natural Gas Company Limited**  
**Statement of Changes in Equity for the period ended 31 March 2017**

(a) Equity Share Capital	Amount Number	Amount Amounts in INR
Equity shares of Rs. 100 each issued, subscribed and fully paid		
As at 1 April 2015	3,92,000	3,92,00,000
Issue of share capital	-	-
As at 31 March 2016	3,92,000	3,92,00,000
Issue of share capital	-	-
As at 31 March 2017	3,92,000	3,92,00,000

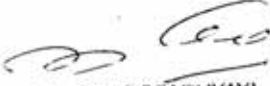
**(b) Other equity**

For the year ended 31 March 2017:

Attributable to the equity shareholders		
	Amounts in INR Retained earnings	Amounts in INR Total
As at 1 April 2015	33,30,74,052	33,30,74,052
Profit for the period	10,13,58,992	10,13,58,992
Other Comprehensive income	-	-
	43,44,33,044	43,44,33,044
Less:- Adjustment for depreciation due to change in life as per Companies Act, 2013 transferred to Capital Reserve	(59,64,961)	(59,64,961)
Add: Adjustment for Depreciation relating to Previous Years	6,79,09,889	6,79,09,889
Less: Adjustment on Assessment of Tax for the FY-12-13 & FY-13-14	(16,67,169)	(16,67,169)
As at 31 March 2016	49,47,10,803	49,47,10,803
Profit for the period	11,30,03,312	11,30,03,312
Other Comprehensive income	-	-
As at 31 March 2017	60,77,14,114	60,77,14,114

  
 (Atanu Chatterjee)  
 Chairman  
 Tripura Natural Gas Company Limited  
 Shree Mahadevi, Agartala  
 Khayrabad, Agartala

  
 (Sivasankar Chatterjee)  
 Director  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.





Note 3 - Property, plant and equipment

Components of Property, plant and equipment (including assets held under finance lease) are as follows:

Cost/Valuation	PMU Project	CEZ Project	Building-CSC	Other	Peripherals & Software	By-Cycle A/C	Vehicle-CSC	Peri. Substation	Internal	Inventory	Assets	Computer	Air	Leased	Leased	Leased
At 1 April 2015	2,606,727,231	14,603,707		2,606,727,231	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779	18,660,779
Depreciation	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)	(8,071,000)
Acquisition of a subsidiary																
Disposal																
Exchange differences	1,013,320	(10,333,723)		1,013,320	10,333,723		10,333,723		10,333,723		10,333,723		10,333,723		10,333,723	1,013,320
Other	39,668,548,455	11,560,849,494		39,668,548,455	11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494	39,668,548,455
At 31 March 2016	2,552,721,051	32,431,706		2,552,721,051	21,422,704		21,422,704		21,422,704		21,422,704		21,422,704		21,422,704	2,552,721,051
Depreciation	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
Acquisition of a subsidiary																
Disposal																
Exchange differences	44,030,474			44,030,474												44,030,474
Other	44,030,474			44,030,474												44,030,474
At 31 March 2017	2,583,721,525	32,431,706		2,583,721,525	21,422,704		21,422,704		21,422,704		21,422,704		21,422,704		21,422,704	2,583,721,525
Depreciation and impairment	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
At 1 April 2015	2,570,000,000	13,831,654		2,570,000,000	13,831,654		13,831,654		13,831,654		13,831,654		13,831,654		13,831,654	2,570,000,000
Depreciation	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
Acquisition of a subsidiary																
Disposal																
Exchange differences	1,013,320	(10,333,723)		1,013,320	10,333,723		10,333,723		10,333,723		10,333,723		10,333,723		10,333,723	1,013,320
Other	39,668,548,455	11,560,849,494		39,668,548,455	11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494	39,668,548,455
At 31 March 2016	2,552,721,051	32,431,706		2,552,721,051	21,422,704		21,422,704		21,422,704		21,422,704		21,422,704		21,422,704	2,552,721,051
Depreciation	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
Acquisition of a subsidiary																
Disposal																
Exchange differences	44,030,474			44,030,474												44,030,474
Other	44,030,474			44,030,474												44,030,474
At 31 March 2017	2,583,721,525	32,431,706		2,583,721,525	21,422,704		21,422,704		21,422,704		21,422,704		21,422,704		21,422,704	2,583,721,525
Depreciation and impairment	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
At 1 April 2015	2,570,000,000	13,831,654		2,570,000,000	13,831,654		13,831,654		13,831,654		13,831,654		13,831,654		13,831,654	2,570,000,000
Depreciation	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
Acquisition of a subsidiary																
Disposal																
Exchange differences	1,013,320	(10,333,723)		1,013,320	10,333,723		10,333,723		10,333,723		10,333,723		10,333,723		10,333,723	1,013,320
Other	39,668,548,455	11,560,849,494		39,668,548,455	11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494		11,560,849,494	39,668,548,455
At 31 March 2016	2,552,721,051	32,431,706		2,552,721,051	21,422,704		21,422,704		21,422,704		21,422,704		21,422,704		21,422,704	2,552,721,051
Depreciation	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)
Acquisition of a subsidiary																
Disposal																
Exchange differences	44,030,474			44,030,474												44,030,474
Other	44,030,474			44,030,474												44,030,474
At 31 March 2017	2,583,721,525	32,431,706		2,583,721,525	21,422,704		21,422,704		21,422,704		21,422,704		21,422,704		21,422,704	2,583,721,525
Depreciation and impairment	(13,733,000)	(8,071,000)		(13,733,000)	(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)		(8,071,000)	(13,733,000)

(Mam Datta Choudhury)  
Chief Executive Officer, Ltd.  
Tripura Natural Gas Co. Ltd.  
Kolkata

(Suresh Kumar)  
Chief Executive Officer, Ltd.  
Tripura Natural Gas Co. Ltd.  
Kolkata



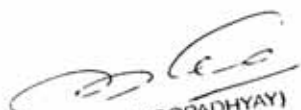
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.

**Note 4 - Financial assets**

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
<b>4A) Loans</b>			
Loans to related parties:			
-Loan to joint ventures (Unsecured considered good)	-	-	-
Other loans:			
Security Deposit Paid ( Paid to BSNL & Others )	1,00,220	90,220	77,077
Application Money -Court Case & Sales Tax Assessment Appeal	73,46,159	73,46,159	76,00,814
Loan/Advance against Salary	1,75,100	1,90,100	2,10,100
Interest accrued but not due	1,27,86,648	88,97,052	61,84,616
Interest Receivable from Axis Bank Ltd. A.D Nagar Branch	-	2,74,281	-
Advance to Director	-	5,55,859	-
<b>Total Loans</b>	<b>2,04,08,127</b>	<b>1,73,53,671</b>	<b>1,40,72,607</b>
Current	1,75,100	10,20,240	63,94,716
Non current	2,02,33,027	1,63,33,431	76,77,891
	<b>2,04,08,127</b>	<b>1,73,53,671</b>	<b>1,40,72,607</b>
<b>4B) Other financial assets</b>			
Balance with bank deposits exceeding 12 months	4,90,82,057	7,33,18,526	2,29,96,817
<b>Total</b>	<b>4,90,82,057</b>	<b>7,33,18,526</b>	<b>2,29,96,817</b>
Current	4,90,82,057	7,33,18,526	2,29,96,817
Non current	-	-	-

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shree Mahadevi, Agartala,  
Khasi, Agartala, Tripura

  
(Sivaram Choudhary)  
Director (Finance),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.




**Note 5- Deferred taxation**

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at 31-March-17	As at 31-March-16	As at 31-March-15
Deferred tax liability	1,13,85,805	10,00,441	(81,44,836)
Deferred tax assets/liabilities-net	1,13,85,805	10,00,441	(81,44,836)

  
 (Atanu Datta Choudhury)  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.  
 Shilpi Nagar, Bhowani  
 Khejuri Bagan, Kuchibhatan,  
 Agartala-750036

  
 (Sivasankar Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.





Note 6 - Other non financial assets

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	(INR)	(INR)	(INR)
Advance to Suppliers	1,66,862	1,08,754	2,11,385
Ceevat Credit-Capital Goods-Deferred A/c	2,71,027	10,59,640	1,69,924
Contingency Advance	26,000	-	21,000
TA Advance to Employee	-	-	35,000
LTC Advance to Employee	30,000	2,60,000	-
Advance to House Owner	-	75,001	-
Tax Deducted at Source	14,47,902	12,18,687	-
Advance Income Tax net off provision	-	36,47,551	-
Pre-Paid Insurance Premium	2,44,167	3,03,946	2,54,580
Pre-Paid Lease rent	8,32,156	8,72,864	9,13,572
<b>Total</b>	<b>30,18,114</b>	<b>75,46,443</b>	<b>16,05,461</b>
<b>Current</b>	<b>5,07,737</b>	<b>7,88,409</b>	<b>7,32,597</b>
<b>Non current</b>	<b>25,10,377</b>	<b>67,58,034</b>	<b>8,72,864</b>
	<b>30,18,114</b>	<b>75,46,443</b>	<b>16,05,461</b>

  
 (Atanu Datta Choudhury)  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.,  
 Andhra Pradesh, India  
 Agartala-726003

  
 (Sivasankar Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

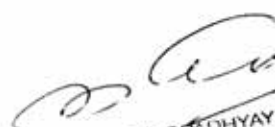


Note 7 - Inventories

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
<b>Stores and spares:</b>			
Stores and Spares including Capital Goods (P)	1,16,76,436	75,71,238	87,04,164
Stock of O&M PNG Materials	10,90,272	2,02,346	
Stock of O&M CNG Materials	34,68,703	55,84,260	
Stock of CNG at DBS	1,03,716	1,36,280	
<b>Total</b>	<b>1,63,39,127.52</b>	<b>1,34,94,124.03</b>	<b>87,04,164.13</b>

  
 (Atanu Datta Choudhury)  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.  
 Shilpa Nagar, Itanagar,  
 Khowair, Agartala, Tripura

  
 (Sivasankar Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



**Note 8 Trade receivables**

Trade receivables	5,75,50,927	4,73,14,274	3,70,17,178
Receivables from an associate	-	-	-
Receivables from other related parties	-	-	-
Current	5,75,50,927	4,73,14,274	3,70,17,178
Non current	-	-	-
<b>Total</b>	<b>5,75,50,927</b>	<b>4,73,14,274</b>	<b>3,70,17,178</b>

  
 (Atanu Datta Choudhury)  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.,  
 Shilpa Nigam Bhawan,  
 Khejuri Bazar, Agartala-791004

  
 (Sivasankar Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.





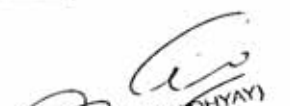
Note 9 - Cash and Bank balances

9A ) Cash and cash equivalents			
Balances with banks:			
- Current accounts	18,63,98,604	5,97,31,745	8,29,98,692
Cash in hand	5,86,264	4,74,460	4,82,790
Total	18,69,84,868	6,02,06,205	8,34,81,482

9B ) Bank Balance others			
Earmarked accounts:			
Fixed Deposits Kept under lien for issue of LC/BG):			
SBI A.D.Nagar Branch	8,25,70,181	8,40,86,261	5,51,09,037
SBI R.M.S. Chowmuhani Branch	3,05,94,930	1,32,37,576	1,68,94,957
Term Deposits:			
FD with TSCBL Battala Evm Br.			-
FD with TSCBL Battala Day Br.			75,42,203
FD with ICICI Bank Ltd.-Udaipur Br.			65,20,000
FD with SBI Dukkli Br.			2,98,238
FD with Axis Bank Ltd.Agartala Br.			2,74,281
FD with SBI A.D.Nagar Branch			1,65,75,344
FD with SBI R.M.S. Chowmuhani Branch			26,82,192
Total	11,31,65,111	9,73,23,837	10,58,96,252
Current	11,31,65,111	6,33,72,954	10,58,96,252
Non-current	-	3,39,50,883	-
Total	11,31,65,111	9,73,23,837	10,58,96,252

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Nigam Bhaw. In  
Khejuri Bazar, Korumukh,  
Agartala - 791003

  
(Sivasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.



Note 10 - Equity share capital


Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Share capital			
Authorized			
10,00,000 Equity Shares of Rs. 100 each	10,00,00,000	10,00,00,000	10,00,00,000
(Previous year 10,00,000 Equity shares of Rs. 100 each)	10,00,00,000.00	10,00,00,000	10,00,00,000
Issued, subscribed and fully paid up			
(392000 Nos. of Fully paid-up Equity Shares of Rs. 100/- each)	3,92,00,000	3,92,00,000	3,92,00,000
	3,92,00,000	3,92,00,000	3,92,00,000

Note 11 - Other equity

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Other equity:			
Retained earnings	60,77,14,114	49,47,10,803	33,30,74,052
Other reserves:			
Capital reserves:			
- Opening balance			
- Addition during the year			
- Adjustment for depreciation due to change in life as per Companies Act, 2013 transferred from Surplus			
- Adjustment for depreciation charged on Projects			
- Closing Balance			
Total	60,77,14,114	49,47,10,803	33,30,74,052

  
 (Atanu Dutta Choudhury)  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.,  
 Shilpa Nagar, Agartala,  
 Kailash Road, Agartala,  
 Agartala-726001

  
 (Shivankar Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



Note 12 - Borrowings

Borrowings			
As at 31st March 2017			
Particulars	2016-17	2015-16	2014-15
Non current borrowings			
Secured Term loans:			
- SBI A.D.Nagar Branch	8,49,18,545	10,84,75,921	13,73,96,675
Less: Current maturities of long term borrowings	(2,42,00,000)	(2,35,57,376)	(2,89,20,754)
Total	6,07,18,545	8,49,18,545	10,84,75,921

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Chippa Narayan Bhawan,  
Kha. Bazar, Agartala-781006

  
(Sivasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura


  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura





Note 13 - Trade Payables

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	31.03.16	31.03.15	31.03.14
M/s GAIL (India) Ltd. for purchase of Gas			
For Agartala City-Maharajgunj Terminal-Mar'16-1st FN	-	49,87,231	52,58,481
For Agartala City-Khayerpur Terminal-Mar'16-1st FN	-	38,90,119	39,92,866
For Agartala City-Maharajgunj Terminal-Mar'16-2nd FN	36,66,748	46,58,921	48,69,144
For Agartala City-Khayerpur Terminal-Mar'16-2nd FN	34,02,405	39,42,965	41,94,673
For B.nagar-IGC-Mar'16-2nd FN	11,11,801	11,50,532	16,06,787
For B.nagar-IGC-Mar'16-MGO	28,06,831	6,89,115	1,05,860
<b>Total</b>	<b>1,09,87,785</b>	<b>1,93,16,884</b>	<b>2,00,27,811</b>

  
(Atanu Datta) (Authorized Signatory)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Ganga Nandan Chakravarti,  
Kharagpur-741008

  
(Sivasankar Veeramalai)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.



Other financial liabilities at amortised cost:			
Current maturities of borrowing	242,00,000	2,35,57,376	2,89,20,754
Security Deposit ( From Major Industrial Consumers)	14,50,720	14,50,720	26,52,720
Security Deposit Collected from the Consumers	6,80,87,880	4,85,83,234	2,41,44,712
Security Deposit Collected from Contractors	3,25,14,095	2,23,74,868	1,63,50,266
Earnest Money Deposit (EMD)	36,30,140	29,14,800	53,50,250
Earnest Money Deposit (EMD)		22,29,600	
Security Deposit (Galileo)	34,89,194	34,89,194	34,89,194
Security Deposit/Retention Money(Suppliers)	57,93,147	16,92,832	15,69,908
Expenses Payable	1,12,73,477	93,11,737	1,56,39,056
Interest Payable on Term Loan	-	8,83,941	
<b>Total Current Financial Liabilities</b>	<b>1,04,15,332</b>	<b>1,04,89,302</b>	<b>2,11,68,869</b>
Current Financial Assets			
Current Financial Assets			
Non-current Financial Assets			
<b>Total Non-current Financial Assets</b>	<b>1,16,86,909</b>	<b>1,16,86,909</b>	<b>1,16,86,909</b>

(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.  
Shilpa Nagar Bhawan,  
Kharib - Jinn, Kharib,  
Agartala-794008

*(Signature)*  
(Sivasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co., Ltd..  
Agartala, Tripura

(N. GANGOPADHYAY)  
Managing Director,  
Tropica Natural Gas Co. Ltd.  
Agartala, Tripura.



Note 15 - Provisions

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31.03.2017	31.03.2016	31.03.2015
	INR	INR	INR
Provision for Gratuity Payable	73,85,085	66,33,221	58,10,960
Provision for Legal Fees & Consultancy Charges	-	-	-
Provision for Leave Encashment	79,64,900	67,95,167	57,29,951
Provisions for Audit Fees :	-	-	-
i. Statutory Audit	45,800	40,000	40,000
ii. Tax Audit	40,000	40,000	40,000
iii. Internal Audit	25,000	25,000	20,000
iii. Cost Audit	75,000	75,000	75,000
iii. Secretarial Audit	46,000	25,000	25,000
Provision for Income Tax	63,58,955	-	36,25,374
Provision for Vat payable	11,86,182	21,52,786	-
<b>Total</b>	<b>2,31,26,922</b>	<b>1,57,86,174</b>	<b>1,53,66,285</b>
Current	77,76,937	23,57,786	37,89,374
Non current	1,53,49,985	1,34,28,388	1,15,76,911
<b>Total</b>	<b>2,31,26,922</b>	<b>1,57,86,174</b>	<b>1,53,66,285</b>

  
(Atanu Das, Chartered Accountant)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Nagar Bhawan,  
Khepolaapuri, Agartala-791005

  
(Sivabankar Venkataraj)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.





**Note 16 - Other non financial liabilities**

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Other non financial liabilities			
Government Grants	1,24,11,392	1,37,14,245	1,51,53,862
Deferred Revenue	18,18,36,753	14,23,24,863	10,10,09,587
TDS - IT Payable (Contractors, Employees, Professionals, etc.)	8,370	15,791	14,053
TDS - WCT Payable (Contractors etc.)	-	4,14,973	7,582
Service Tax Payable A/c	53,303	92,289	7,714
Advance Installation Cost	1,25,17,156	1,25,10,670	1,42,63,474
Deferred Income	6,18,778	5,20,576	3,46,632
<b>Total</b>	<b>20,74,45,753</b>	<b>16,95,18,827</b>	<b>13,08,02,904</b>
Current	(37,67,031)	1,53,06,206	2,42,61,148
Non current	21,12,12,784	15,42,87,201	10,65,41,755
<b>Total</b>	<b>20,74,45,753</b>	<b>16,95,18,827</b>	<b>13,08,02,904</b>

  
**(Atanu Datta Choudhury)**  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.,  
 Khairbagan, Kumbhari,  
 Agartala-793005

  
**(Swarnika Metamajai)**  
 Director (Com.),  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
**(N. GANGOPADHYAY)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.




**Note : 17 Revenue from Operations**

Sale of CNG	45,65,01,171	42,20,08,287
Sales of PNG	21,33,00,079	23,64,81,953

  
 (Atanu Datta Choudhury)  
 Chief Financial Officer,  
 Tripura Natural Gas Company Ltd.,  
 Shipa Nigam Bhawan,  
 Kheurbagan, Kumbhan,  
 Agartala-798006


  
 (Sivasankar Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

  
 (N. GANGOPADHYAY)  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



**Note : 18 Other Income**

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Interest on STDR	1,67,02,118	1,46,06,734
HP Rent for Computer from Employees	32,100	51,500
Misc. Receipts	10,22,377	1,21,520
Application Fees from Consumers	-	31,95,750
Income from unwinding of security deposits	2,62,845	1,84,817
Amortisation of government grant	1,44,47,565	1,57,89,031
<b>Total</b>	<b>3,24,67,005</b>	<b>3,39,49,352</b>

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Nigam, Bhatpara,  
Khejuriapara, Kharagpur,  
Agartala-786003

  
(Sivasankar Veeramalai)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.




**Note : 19 Materials Consumed**

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Gas Consumed	20,93,72,171	24,70,31,764
Change in inventories	32,564	-1,16,363
<b>Total</b>	<b>20,94,04,735</b>	<b>24,69,15,401</b>

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Nigam, Bhatpara,  
Khejuriapara, Kharagpur,  
Agartala-786003

  
(Sivasankar Veeramalai)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.





Note : 20 Employee Costs

Particulars	As per Ind AS	As per Ind AS
	At at	At at
	31-Mar-17	31-Mar-16
	INR Lakhs	INR Lakhs
Salaries and wages	1,44,46,081	1,24,85,831
Directors Remuneration (Re-imbursed to GAIL)	91,71,510	92,67,336
Directors Qtr Expenses	4,82,558	2,79,927
Employer Contribution to PF including EDLI	16,98,990	14,63,059
Leave Encashment	20,40,653	21,17,351
Provision for Gratuity	7,51,864	8,22,261
Transportation Allowance	3,08,834	2,76,000
Cable Allowance	67,200	61,200
Children Education Expenses (Reimbursement)	41,100	41,000
Leave Travel Concession	2,54,207	2,18,066
Medical Expenses	2,46,995	2,42,457
Staff Welfare	7,45,370	10,58,941
<b>Total</b>	<b>3,02,55,362</b>	<b>2,83,33,429</b>

  
General Manager  
Tribeni Natural Gas Company Ltd.  
Kanchanpur, Agartala  
Agartala-791004

  
(Sivasantra Dasgupta)  
Director (Com.)  
Tribeni Natural Gas Co. Ltd.  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director  
Tribeni Natural Gas Co. Ltd.  
Agartala, Tripura



Note : 21 Other Expenses

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-MAR-17	31-MAR-16
	INR	INR
Operation & Maintenance-CNG	3,67,65,039	2,39,09,238
Operation & Maintenance-PNG	1,36,49,722	1,16,27,086
Printing & Stationery	7,49,518	9,05,913
Professional Tax	2,500	2,500
Professional/Consultancy Service Fees	19,76,451	20,86,481
Postage & Telegram	39,922	71,260
Commission on Sales(CNG)	10,75,308	9,31,286
Balance W/off	-	-
Legal Expenses	6,000	1,55,346
Service Tax	11,94,869	27,43,360
Office Rent	10,58,065	7,09,908
Repairs & Maintenance	10,63,702	5,72,031
Telephone, Fax & Internet Expenses	8,22,009	8,60,677
Lease Rent (CNG & PNG)	12,38,197	12,31,940
Bank Charges	3,11,681	6,07,195
Shed rent	1,27,562	1,28,621
Audit Fees	3,40,325	1,85,000
TA to Directors	13,74,712	19,42,959
Vehicle Charges / Expenses-Directors	-	-
Board Meeting Expenses	1,18,244	6,56,885
Directors Sitting Fees	-	-
Electricity Expenses	22,56,872	20,81,143
Audit Expenses	1,90,407	82,181
Insurance	9,02,189	12,49,533
Conveyance Expenses	29,682	14,774
Misc. Expenses	8,71,306	8,93,894
Office House Keeping & Maintenance Expenses	11,28,635	10,18,448
Awareness on CNG & PNG / National Safety Day	3,41,473	5,79,184
Sales/Business Promotion Expenses	2,62,711	3,42,705
Vehicle Running & Maintenance	20,85,500	15,03,267
Notice & Advertisement	11,27,990	5,91,368
TA to Employees / Tour Expenses	18,15,871	28,97,986
Security Service Charges	45,18,427	42,22,557
Entertainment Expenses	5,76,706	6,21,847
Inauguration of CNG Station	-	8,50,598
TVAT	6,02,96,274	5,11,80,166
News Paper, Books & Periodicals	61,002	1,37,230
Calander & Dairy Printing Expenses	94,980	2,73,350
Website Maintenance Expenses	1,80,460	1,59,008
Rates & Taxes	90,580	4,16,881
Seminar, Conference & Training Expenses	5,46,438	95,236
India International Trade Fair	5,00,000	5,21,870
Industries & Commerce Fair Expenses	2,83,467	1,57,873
Festival Expenses	32,29,113	30,08,403
Fire Safety Day	1,31,095	95,083
TNGCL Foundation Day Celebration Expenses	2,24,434	9,68,000
Corporate Social Responsibility (CSR)	8,40,285	-
Water Charges	1,86,227	4,19,057
Canteen Running Expenses	88,787	1,67,947
Transportation Charges (CNG)	1,33,52,271	1,07,32,769
Billing System	57,99,885	55,96,537
Wages to Outsource Staff (Service Charges)	41,58,332	30,37,039
Stipend to Apprentice/Trainee	-	64,000
<b>Total</b>	<b>16,80,85,226</b>	<b>14,33,07,620</b>



(Sd/-)   
T. S. Choudhury  
Chartered Accountant Officer,  
Timpura Natural Gas Company Ltd.,  
Shop No. 1, 2nd Floor, 1st Main Road,  
Agartala-726006

(Sd/-)   
S. Vasanth Kumar  
Director (Comm.)  
Timpura Natural Gas Co. Ltd.,  
Agartala, Tripura

(Sd/-)   
N. GANGOPADHYAY  
Managing Director,  
Timpura Natural Gas Co. Ltd.,  
Agartala, Tripura.

**Note : 22 Finance Costs**

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Processing charges for LC	4,60,673	1,05,000
Interest expense on security deposits	85,34,851	1,69,527
<b>Total</b>	<b>89,95,524</b>	<b>2,74,527</b>

  
(Manoj Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Nagar, Kharagpur,  
Agartala-730005

  
(Sivaraman Veeramalai)  
Director (Com),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.




**Note : 23 Tax Expenses**

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Current tax	4,83,58,955	4,68,52,449
Deferred Tax	1,03,85,364	91,45,277
<b>Total</b>	<b>5,87,44,319</b>	<b>5,59,97,726</b>

  
(Manoj Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Nagar, Kharagpur,  
Agartala-730005

  
(Sivaraman Veeramalai)  
Director (Com),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.





**Tripura Natural Gas Company Limited**

**Notes to financial statements**

**24 Income Tax**

a) Income tax related to items charged or credited directly to profit or loss during the year:

Statement of profit or loss	31-Mar-17	31-Mar-16
<b>Current income tax:</b>		
Current income tax charge	4,83,58,955	4,68,52,449
Adjustments in respect of current income tax of previous year	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1,03,85,364	91,45,277
<b>Tax expense</b>	<b>5,87,44,319</b>	<b>5,59,97,726</b>

b) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

	31-Mar-17	31-Mar-16
<b>Profit before tax from continuing operations</b>	<b>17,17,47,631</b>	<b>15,73,56,718</b>
Applicable Tax Rate	34.61%	33.99%
<b>Tax at Indian Tax rate</b>	<b>5,94,38,420</b>	<b>5,34,85,548</b>
Effect of Income not considered for tax purpose	(97,94,860.71)	(51,77,442.33)
Effect of Expense not allowed for tax purpose	9,66,434.28	25,15,371.15
Effect of Ind AS Adjustments	(8,03,137.64)	(39,71,029.12)
Other non deductible expenses	-	-
Adjustment for Tax Deducted at Source	14,47,902	-
Movement in deferred tax liability	1,03,85,364	91,45,277
<b>Income tax expense</b>	<b>5,87,44,318</b>	<b>5,59,97,725</b>
<b>Effective tax rate</b>	<b>34.20%</b>	<b>35.59%</b>

c) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31-Mar-17	31-Mar-16
Property, Plant and Equipment	84,42,703	(11,51,777)
Deferred tax on Ind AS adjustments	29,43,102	21,52,218
<b>Deferred tax (assets)/ liabilities</b>	<b>1,13,85,805</b>	<b>10,00,441</b>
Offsetting of deferred tax assets and deferred tax liabilities	-	-
<b>Net Deferred tax (assets)/ liabilities</b>	<b>1,13,85,805</b>	<b>10,00,441</b>

*(Signature)*  
 (Name)  
 Director  
 Tripura Natural Gas Company Ltd.  
 Agartala

*(Signature)*  
 (Name)  
 Director  
 Tripura Natural Gas Company Ltd.  
 Agartala

*(Signature)*  
 (N. GANESH CHANDRAN)  
 Managing Director  
 Tripura Natural Gas Company Ltd.  
 Agartala



**Tripura Natural Gas Company Limited**

**Notes to financial statements**

**25A Contingent Liabilities**

Claims made against the company not acknowledged as debts

Amounts in INR

Particulars	2016-17	2015-16	2014-15
<b>Show cause/ demand notices received from government authorities/Other Agencies -</b>			
(i) Differential Price for gas sold to Commercial & Industrial Consumers at Agartala, B.Nagar-IGC & Rokhia Brick kiln w.e.f July, 2005 to 31st March, 2014 with reference to MoPNG Circular no:-L-16012 /17/2012-GP dated:07-01-2014 raised by GAIL (India) Ltd.	1,55,99,855	3,07,72,937	3,09,32,980
(ii) Compensation to Commercial Consumer Uttam Saha -CC	-	-	4,59,309
<b>Sales tax / VAT liability that may arise in respect of matters in appeal -</b>			
Appeal Case No:21-22/Ch.VII/2012 ,TNGCL vs Superintendent of Taxes,Charge-VII,TVAT Assessment FY-2005-06 & 2006-07	1,15,34,682	1,15,34,682	1,15,34,682
	<b>2,71,34,537.00</b>	<b>4,23,07,619.00</b>	<b>4,29,26,971.00</b>

**25B Commitments**


Amounts in INR

Particulars	2016-17	2015-16	2014-15
a.Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	22,40,16,701	14,86,90,016	20,87,81,798

- a) The Company does not expect any reimbursement in respect of the above contingent  
b) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters

  
(Atanu Datta, Chief Financial Officer)  
Tripura Natural Gas Company Ltd.  
Shilpa Nagar, Agartala  
Kanchi, Tripura

  
(Shyamprakash Choudhary)  
Executive Director  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.



**Tripura Natural Gas Company Limited**

**Notes to financial statements**

**26 Related Party transactions**

**(A) Names of Related parties and nature of related party relationships**

**(a) Entities which exercise control/ joint-control/ significant influence over the company**

Gail (India) Limited  
Tripura Industrial Development Corporation Limited  
Assam Gas Company Limited

**(b) Key management personnel**

Mr. Narayan Gangopadhyay - Managing Director  
Mr. Siva Sankar Veeramalai - Director (Commercial)  
Mr. Atanu Datta Choudhary - CFO  
Shri Jitendra Chaudhary - Chairman  
Shri Amit Kumar Ray - Director  
Shri Aditya Kumar Sharma - Director

The following table provides the total amount due to or due from the related parties as on March 31, 2017, March 31, 2016 and April 1, 2015.

Amounts in INR

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Gail (India) Limited</b>			
Sale/ Purchase of goods	1,09,87,785	1,93,18,883	2,00,27,811
Other	-	-	-
<b>Total</b>	<b>1,09,87,785</b>	<b>1,93,18,883</b>	<b>2,00,27,811</b>
<b>Tripura Industrial Development Corporation Limited</b>			
Lease arrangements	13,25,051	13,19,853	12,67,924
Other	-	-	-
<b>Total</b>	<b>13,25,051</b>	<b>13,19,853</b>	<b>12,67,924</b>

  
(Atanu Datta Choudhary)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shree - 4th, Narula Road,  
Kharagpuri, Agartala, Tripura

  
(Sivasankar Veeramalai)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.





**Tripura Natural Gas Company Limited**

**Notes to Financial statements**

**# Segment Reporting**

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended March 31, 2017.

**Entity wide disclosures:**

**I. Information about products and services:**

The Company is in a single line of business of "Sale of Natural Gas".

**II. Geographic Information:**

The company operates presently in the business of city gas distribution in India. Accordingly, revenue from customers and all assets are located in India only.

**III. Information about major customers:**

9438 ONG customers during the year ended 31st March 2017 and 8063 customers during the year ended 31st March 2016 contributed to more than 0.17% of the revenue individually. Revenue from these customers was Rs.45.65 Cr and Rs.42.20 Cr during the year ended 31st March, 2017 and 31st March, 2016 respectively.

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.  
Shilpa House, Agartala, Tripura  
Pin-791004

  
(Swasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.



## Tripura Natural Gas Company Limited

### Notes to Financial statements

#### Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.

The Company board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

#### 1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

##### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed interest instruments.

##### Sensitivity analysis:

The table below summarises the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

31 March 2017		
Secured loan from SBI A.D Nagar Branch	+100	6.49,385
Secured loan from SBI A.D Nagar Branch	-100	-6.49,385
31 March 2016		
Secured loan from SBI A.D Nagar Branch	+100	10,84,760
Secured loan from SBI A.D Nagar Branch	-100	-10,84,759

The sensitivity analysis is limited only to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year.

##### (b) Foreign currency risk

The Company does not have significant exposure in currency other than INR.


#### 2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The contractual maturities of the Company's financial liabilities are presented below:

As at 31 March 2017	Overdue	Less than 3 months	3 to 12 months	12 to 36 months	More than 36 months	Total
Interest bearing loans and borrowings:		16,55,584	47,36,690	-	-	63,92,274
Interest Payable	-	-	-	-	-	-
Interest bearing loans and borrowings:		86,00,000	1,82,00,000	6,07,18,545	-	8,49,18,545
Principal Payable	-	-	-	-	-	-
Trade and other payables	-	1,09,87,785	-	-	-	1,09,87,785
Expenses Payable	-	1,12,73,477	-	-	-	1,12,73,477
Security Deposit (From Major Industrial Contractors)	14,50,720	-	-	-	-	14,50,720
Security Deposit Collected from the Contractors	6,51,70,234	1,77,362	1,87,791	24,52,343	-	6,80,87,880
Security Deposit Collected from Contractors	3,25,14,093	-	-	-	-	3,25,14,093
Current Money Deposit (FMS)	36,30,140	-	-	-	-	36,30,140
Security Deposit (Callies)	34,89,194	-	-	-	-	34,89,194
Security Deposit/Retention Money (Contractors)	37,43,147	-	-	-	-	37,43,147
Total	11,20,47,630	2,02,94,149	2,33,27,471	6,31,71,108	-	22,87,40,357

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.  
Shilpa Mahanta (Chartered Accountant)

  
(Koushik Choudhury)  
Chartered Accountant  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.



As at 31 March 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest bearing loans and borrowings-Interest Payable	-	24,67,312	64,97,089	1,33,70,427	-	2,23,14,838
Interest bearing loans and borrowings-Principal Payable	-	80,00,000	1,82,00,000	8,42,75,921	-	10,84,75,921
Trade and other payables	-	1,93,18,883	-	-	-	1,93,18,883
Expenses Payable	-	93,11,737	-	-	-	93,11,737
Security Deposit (From Major Industrial Contractors)	14,50,720	-	-	-	-	14,50,720
Security Deposit Collected from the Contractors	4,62,23,970	2,11,947	3,94,949	17,50,348	-	4,83,80,214
Security Deposit Collected from Contractors	2,21,74,868	-	-	-	-	2,21,74,868
Current Money Deposit (EMD)	51,44,400	-	-	-	-	51,44,400
Security Deposits (Utilities)	34,89,194	-	-	-	-	34,89,194
Security Deposits/Retention Money/Suppliers	16,52,832	-	-	-	-	16,52,832
Total	8,69,75,964	3,72,89,879	3,50,94,038	9,93,96,726	-	24,13,56,607

As at 1 April 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest bearing loans and borrowings-Interest Payable	-	22,54,341	88,88,600	2,23,14,838	-	3,44,57,779
Interest bearing loans and borrowings-Principal Payable	-	60,00,000	1,82,00,000	11,31,96,675	-	13,72,96,675
Trade and other payables	-	2,00,27,811	-	-	-	2,00,27,811
Expenses Payable	-	1,56,39,056	-	-	-	1,56,39,056
Security Deposit (From Major Industrial Contractors)	26,52,720	-	-	-	-	26,52,720
Security Deposit Collected from the Contractors	2,26,42,750	34,517	1,05,382	13,62,143	-	2,41,44,712
Security Deposit Collected from Contractors	1,63,50,264	-	-	-	-	1,63,50,264
Current Money Deposit (EMD)	53,50,250	-	-	-	-	53,50,250
Security Deposits (Utilities)	34,89,194	-	-	-	-	34,89,194
Security Deposits/Retention Money/Suppliers	13,69,908	-	-	-	-	13,69,908
Total	5,20,55,088	4,49,37,725	2,71,93,982	13,68,73,656	-	26,10,60,451

### 3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit and loss as on 31st March 2017 and for the comparative period as on 31st March 2016.

**Trade and other receivables.** The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major part of the revenue is contributed by either through cash sales or sales to government owned oil marketing companies like IOCL with a credit period ranging from 3 days to 45 days. Accordingly company does not expect any impairment loss on trade receivables.

The Board has established Credit Policy under which each customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The summary of the company's product wise Credit Period is tabulated below:

Product	Credit Period
1. Compressed Natural Gas (CNG)	
(a) Oil Marketing Companies like IOCL, etc.	7 Days from the Invoice Receipt date
(c) Others	Cash and Carry Basis
2. Piped Natural Gas (Domestic)	15 Days from the Invoice date
3. Piped Natural Gas (Industrial)	3 Days from the Invoice Receipt date
4. Piped Natural Gas (Commercial)	15 Days from the Invoice Receipt date

**Cash and cash equivalents.** The company held cash and cash equivalents of INR 1,869.85 lakhs as at 31 March 2017 (31st March 2016: INR 602.06 lakhs and 31st April 2015: INR 834.81 Lakhs). The cash and cash equivalents are held with public sector banks and leading private sector Banks. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

  
Anand Datta Choudhury  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilgaon, Agartala, Tripura

  
(for Anand Datta Choudhury)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
N. GANGOPADHYAY  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura





Tripura Natural Gas Company Limited


Notes to financial statements

29. Capital management

For the year ended 31st March 2017  
The Company has not declared any dividend for the year ended 31st March 2017.

  
(Alanku Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.,  
Shilpa Khetra Park, Phase II,  
Kheturia, Agartala, Tripura

  
(Sivasankar Veeramalai)  
Director (Com.),  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura



**Tripura Natural Gas Company Limited**

**Notes to financial statements**

**30 Accounting classification and fair value measurements**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements. As at 31 March 2017, the Company held the following financial instruments carried at fair value on the statement of financial position:

<b>Financial assets at amortised cost</b>				
Non-current				
Loans and receivables	2,01,31,027			
Current				
Trade receivables	5,75,56,927			
Cash and cash equivalents	18,69,84,868			
Other Bank Balances	11,31,05,111			
Loans	1,75,180			
Other Financial Assets	6,99,82,257			
Bank Deposits	5,67,797			
<b>Total</b>	<b>42,76,98,027</b>	-	-	-
<b>Financial liabilities at amortised cost</b>				
Non-current				
Borrowings	6,07,18,845			
Other Financial liabilities	21,56,843			24,65,754
Current				
Trade payables	1,09,87,795			
Other Financial liabilities	14,80,82,611			
<b>Total</b>	<b>1,07,75,62,639</b>			<b>24,65,754</b>

During the reporting period ending 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

As at 31 March 2016, the Company held the following financial instruments carried at fair value on the statement of financial position:

<b>Financial assets at amortised cost</b>				
Non-current				
Loans and receivables	1,43,33,431			
Other Financial Assets- Term Deposits	3,74,50,687			
Current				
Trade receivables	6,73,14,214			
Cash and cash equivalents	6,02,06,209			
Other Bank Balances	6,33,72,854			
Loans	10,20,240			
Other Financial Assets	7,31,18,525			
<b>Total</b>	<b>29,88,14,813</b>	-	-	-
<b>Financial liabilities at amortised cost</b>				
Non-current				
Borrowings	8,49,18,845			
Other Financial liabilities	22,95,882			17,50,348
Current				
Trade payables	1,33,18,983			
Other Financial liabilities	31,41,91,440			
<b>Total</b>	<b>33,67,25,730</b>			<b>17,50,348</b>

During the reporting period ending 31 March 2016, there were no transfer between Level 1 and Level 2 fair value measurements.

As at 01 April 2015, the Company held the following financial instruments carried at fair value on the statement of financial position:

<b>Financial assets at amortised cost</b>				
Non-current				
Loans and receivables	76,77,891			
Current				
Trade receivables	3,78,17,138			
Cash and cash equivalents	8,94,81,482			
Other Bank Balances	10,38,94,232			
Loans	6,34,719			
Other Financial Assets	3,29,94,837			
<b>Total</b>	<b>25,57,86,445</b>	-	-	-
<b>Financial liabilities at amortised cost</b>				
Non-current				
Borrowings	10,86,75,923			
Other Financial liabilities	13,95,743			13,62,143
Current				
Trade payables	2,86,27,811			
Other Financial liabilities	847,21,117			
<b>Total</b>	<b>23,64,20,699</b>			<b>13,62,143</b>

Cash and short-term receivables, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these



*(Signature)*  
**Chief Financial Officer,**  
 Tripura Natural Gas Company Limited

*(Signature)*  
**Director,**  
 Tripura Natural Gas Company Limited

*(Signature)*  
**(IN. GAN. S. MAJUMDAR)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.

**Tripura Natural Gas Company Limited**  
First time adoption - Ind AS 101

**31 Transition to Ind AS**

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2015, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 and 31 March 2017.

**Exemptions applied:-**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**Ind AS Optional exemptions:**

**Deemed cost-Previous GAAP carrying amount (PPE and Intangible Assets)**

Ind AS 101, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

**Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of conditions in prevailing as at the date of transition, except where the effect is expected to be not material. The company has elected to apply this exemption for such arrangements.

**Ind AS Mandatory exemptions:**

**Estimates**

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

**Derecognition of financial assets and financial liabilities**

Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

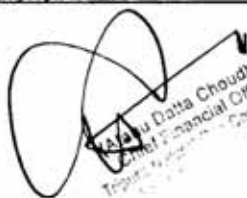
**Classification and measurement of financial assets**

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**Reconciliation of Equity between previous GAAP and Ind AS**

(Amounts in INR)

		31 March 2015	31 March 2016
<b>Equity as per Previous GAAP (Indian GAAP)</b>		<b>68,13,82,138</b>	<b>33,66,12,467</b>
<b>Add:-</b>			
Reversal of stores and spares consumed	a	1,32,58,070	-
Reversal of prior period items	b	44,04,798	-
Income from unwinding of security deposits	c	1,84,817	-
Deferred Tax Asset on Ind AS adjustments	e	-	18,29,326
<b>Less:-</b>			
Reclassification of capital reserve into government grant	d	-1,37,14,245	-
Reclassification of installation charges recovered from customers for the cost of pipeline to Deferred Revenue	e	-14,23,24,863	-
Finance expense recognised for accreditation of security deposits	c	-1,69,527	-
Prior period adjustments restated	b	-	-44,04,798
Depreciation on stores and spares classified as PPE	a	-15,90,426	-9,62,943
Deferred Tax Asset on Ind AS adjustments	f	-39,81,544	-
<b>Total adjustments</b>		<b>-14,39,32,920</b>	<b>-35,38,415</b>
<b>Ind AS adjustments as at transition date</b>		<b>-35,38,415</b>	<b>-</b>
<b>Equity as per Ind AS</b>		<b>33,39,10,803</b>	<b>33,30,74,052</b>

  
Anil Kumar Choudhury  
Financial Officer,  
Tripura Natural Gas Company Ltd.

  
N. Gangadhar  
Director,  
Tripura Natural Gas  
Company Ltd.  
Agartala

  
N. Gangadhar  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.



# Reconciliation of Total comprehensive income

(Amounts in INR)

Net Profit after tax as per previous GAAP (Indian GAAP)		9,36,57,602
Reversal of stores and spares consumed	a	1,32,58,070
Income from unwinding of security deposits	c	1,84,817
Finance expense recognised for accretion of security deposits	c	-1,69,527
Prior period adjustments restated	b	
Depreciation on stores and spares classified as PPE	a	-15,90,426
Deferred Tax Asset on Ind AS adjustments	f	-39,81,544
Total adjustments		77,01,390
Other comprehensive income (net of taxes)		
Total comprehensive income under Ind AS		20,33,58,992

## Notes to first time adoptions

a) Under previous GAAP, machinery spares are usually charged to the profit and loss statement as and when consumed. Under Ind AS, spare parts are, retrospectively, recognized in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Depreciation of an asset begins when it is available for use. Spare parts are generally available for use from the date of its purchase. Accordingly, following amount of spares are capitalized, with depreciation calculated retrospectively from the date of its purchase.

	01-Apr-15	31-Mar-16
Spares recognized in accordance with Ind AS 16	47,92,603	1,33,41,300
Retrospective calculation of depreciation on above	(9,62,943)	(15,90,426)

b) Under previous GAAP, prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived. Under Ind AS, material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position. Accordingly, prior period adjustments of Rs. 44,04,798 made in financial year 2015-16 has been reversed, and impact of the same is taken in the opening balance sheet, i.e., April 1, 2015.

c) Under previous GAAP, interest free security/retention deposits are recorded at transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security/retention deposits under Ind AS. Difference between the fair value and transaction value of the security/retention deposits has been recognised as deferred revenue. The amount of increase in carrying amount of deposit is recognized as interest expense. The deferred revenue is amortized on a straight line basis over the deposit term in statement of profit and loss.

d) Under previous GAAP, grant received from Tripura Industrial Development Corporation Ltd. (TIDCL) for PNG supply to Industrial Growth Centre is credited to Capital Reserve. As per Ind-AS 20, Government grants are receipts from a source other than shareholders. Accordingly, capital reserve balance has been reclassified by setting up grant as deferred income in the balance sheet.

e) Company receives cash from customers and uses that amount of cash to construct an item of property, plant and equipment and then uses the item of property, plant and equipment to provide the customer with ongoing access to a supply of goods or services. Under Ind AS, such asset shall be recognised in the books of the company and the amount of capital reserve shall be reclassified to deferred revenue. The same shall be recognized in statement of profit and loss over a period no longer than the useful life of the asset.

f) Under Indian GAAP, transaction costs incurred in connection with borrowings are amortized upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.


g) Under previous GAAP, the useful life of an intangible asset may not be indefinite. Under Ind AS, useful life of an intangible asset may be finite or indefinite. Ind AS 38 does not allow amortization of an intangible asset with indefinite life. Accordingly, depreciation on intangible asset - 'right to use' of INR 9.2 lakhs has been reversed in financial year 2015-16 as the useful life of the said asset is indefinite.

h) Under previous GAAP, Company capitalised all the costs incurred as a part of capital work in progress. However under Ind AS, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are included in cost of assets. Therefore, administration and general overhead costs included in the cost of property, plant and equipment amounting to INR 2.13 crores is adjusted from Statement of profit and loss.

i) Previous GAAP required recognition of deferred tax using the income statement approach; however, Ind-AS requires the Company to recognise deferred tax using the balance sheet approach. The effect on account of application of Ind-AS has been duly accounted.

j) Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, the Statement of Profit and Loss under previous GAAP has been reconciled with profit and loss statement and total other comprehensive income as per Ind - AS.

k) In the preparation of these Ind-AS Financial Statements, the Company has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

  
 Chandan Choudhury  
 Chief Financial Officer  
 Tripura Natural Gas Co. Ltd.  
 Shillong, Meghalaya

  
 Swatantra Kumar  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

  
 AGARTALA  
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 FEN-312032E

  
 N. GANGOPADHYAY  
 Managing Director  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

### 1. Corporate information

Tripura Natural Gas Company Limited ("TNGCL") is a company domiciled in India with registered office, in Agartala, Tripura.

GAIL (India) Limited entered in to a contractual agreement with Tripura Industrial Development Corporation ("TIDC"), Assam Gas Company Limited ("AGCL") on February 15, 2005 as a major shareholder to make TNGCL the fastest growing CGD entity in entire Eastern India for distribution and marketing of Natural Gas and Compressed Natural Gas (CNG) for use in residential, commercial, industrial and automotive sector, in the state of Tripura. TNGCL has established itself as a pioneer in the CGD business and has been the 100% Piped Natural Gas (PNG) supplier to the Domestic and CNG customers in the state of Tripura. This had been possible to achieve with the commendable visionary leadership, exemplary problem solving skills and untiring efforts, along with other stake holders - Tripura Industrial Development Corporation (TIDC) & Assam Gas Company Ltd (AGCL)..

The financial statements of the company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the directors on 17-05-2017.

### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind-AS.

The financial statements have been prepared on a historical cost basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the relevant accounting policy.

The Company does not have any subsidiary, associates and joint ventures, hence these financial statements are individual financial statements and does not require any consolidated financial statements.

The financial statements are presented in Indian Rupees ('INR') and the values are rounded to the nearest crore, except otherwise indicated.

### 3. Significant accounting policies

#### 3.1 Property, plant and equipment

##### (a) Tangible Assets

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of competent authority, subject to necessary adjustment in cost and depreciation in the year of settlement.



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## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation is provided in accordance with the useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

Leasehold lands are amortized over the lease period. Leasehold improvements are amortized over the remaining period of the primary lease or expected useful economic lives, whichever is shorter.

The asset's residual values, useful lives and method of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

### (b) Capital Work in Progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

### 3.1 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### Research and development costs

Development costs that are expected to generate probable future economic benefits are capitalized as intangible assets. All other research and development expenditure is recognized in profit and loss account as incurred.

### 3.2 Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipments and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.



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## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

Carrying value of equity accounted investments are tested for impairment in accordance with the policy described above.

### 3.3 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

### 3.4 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3.5 Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

At each balance sheet date, foreign currency monetary items (such as Cash, Receivables, Loans, Payables, etc.) are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items (such as Investments, Fixed Assets, etc.) which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

### 3.6 Revenue and other income

#### (a) Sale of goods

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of consideration that will be derived from sale of goods. Generally this coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Any retrospective revision in prices is accounted for in the year of such revision. The Company has



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concluded that it is the principal in all of its revenue arrangements since it is the primary obligor, has pricing latitude and is also exposed to inventory and credit risks.

### (b) Interest income

Interest income is recognized on a time proportion basis.

### 3.7 Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss. Further, the company makes provision as per actuarial valuation towards any shortfall in fund assets to meet statutory rate of interest in future period, to be compensated by the company to the Provident Fund Trust.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out annually, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absences and other benefits which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

### 3.8 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale, after netting off any income earned on temporary investment of such funds. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

### 3.9 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers





## Accounting Policy Under Ind AS

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substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis. However, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

### 3.10 Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

### 3.11 Taxation

Tax expense represents the sum of tax currently payable and deferred tax.

#### a) Current Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### b) Deferred Tax

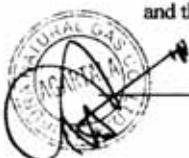
Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.





## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

### 3.12 Provisions, Contingent liabilities, Contingent assets and Commitments

#### General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### 3.13 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### 3.14 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

#### An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 3.15 Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i) Financial assets

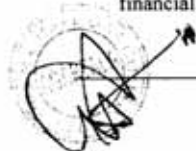
##### Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.





## Accounting Policy Under Ind AS

Stand-alone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

### ii) Financial liabilities

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

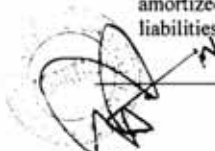
The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdraft.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.





## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### • Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### 4.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### (a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will



## Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

### 4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

#### (b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

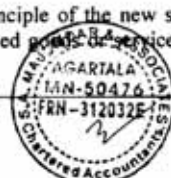
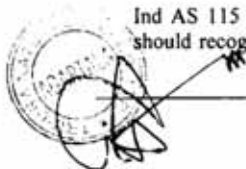
#### (c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## 5 Standards Issued but not yet Effective

### Ind - AS 115 "Revenue from Contract with Customers

Ind AS 115 was issued in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an





## Accounting Policy Under Ind AS

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amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard will come into force from accounting period commencing on or after 1<sup>st</sup> April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

### Amendments to Ind AS 7 "Statement of cash flows"

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment is effective for accounting period commencing on or after 1<sup>st</sup> April, 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

  
(Atanu Datta Choudhury)  
Chief Financial Officer,  
Tripura Natural Gas Company Ltd.  
Shilpa Bhabha, Bhubaneswar,  
Kuliyar, Odisha, India

  
(Sivasankar Veeramalai)  
Director (Ccm.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura

  
(N. GANGOPADHYAY)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

For S. A. Majumdar & Associates.  
Chartered Accountants.

  
(CA S. Majumdar)











***CSR activities undertaken by Assam Gas Company Ltd.***

**Top Row (from left) :** Project Ashadeep with Don Bosco Institute, Maligaon, Guwahati; Solar Lamp; CSR project with RGVN at Chapatoli Gaon No.1- near Bhadoi Pachali

**Middle Row (from left) :** Project Pratyasha- a Skill Development Programme with Don Bosco Institute, Kharguli; Conversion of bio-degradable waste to organic manure

**Bottom (left) :** Parimal Basudha- a step towards cleanliness in AMCH, Dibrugarh